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ODYSSEY MARINE EXPLORATION INC

FORM 10-Q
(Quarterly Report)

Filed 08/09/17 for the Period Ending 06/30/17

Address	5215 WEST LAUREL STREET TAMPA, FL 33607
Telephone	(813) 876-1776
CIK	0000798528
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the quarterly period ended June 30, 2017

or

☐ **Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from __________ to __________

Commission File Number 001-31895

ODYSSEY MARINE EXPLORATION, INC.
(Exact name of registrant as specified in its charter)

Nevada **(State or other jurisdiction of incorporation or organization)**	**84-1018684** **(I.R.S. Employer Identification No.)**

5215 W. Laurel Street, Tampa, Florida 33607
(Address of principal executive offices) (Zip code)

(813) 876-1776
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☒ NO ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act (Check one).

Large accelerated filer:	☐	Accelerated filer:	☐
Non-accelerated filer:	☐ (Do not check if a smaller Reporting company)	Smaller reporting company:	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act): Yes ☐ No ☒

The number of outstanding shares of the registrant's Common Stock, $.0001 par value, as of July 29, 2017 was 8,388,821.

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PART I: FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS
ODYSSEY MARINE EXPLORATION, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	Unaudited June 30, 2017	December 31, 2016
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 1,476,693	$ 1,662,643
Restricted cash	10,000	10,000
Accounts receivable and other, net	285,378	473,806
Other current assets	224,436	609,462
Total current assets	1,996,507	2,755,911
PROPERTY AND EQUIPMENT		
Equipment and office fixtures	16,738,898	17,188,699
Marine asset held for sale	—	416,329
Accumulated depreciation	(15,815,735)	(15,809,774)
Total property and equipment	923,163	1,795,254
NON-CURRENT ASSETS		
Other non-current assets	532,500	532,500
Total non-current assets	532,500	532,500
Total assets	$ 3,452,170	$ 5,083,665
LIABILITIES AND STOCKHOLDERS' EQUITY/(DEFICIT)		
CURRENT LIABILITIES		
Accounts payable	$ 1,484,376	$ 1,397,347
Accrued expenses and other	5,713,085	5,078,125
Loans payable	21,609,440	20,731,807
Total current liabilities	28,806,901	27,207,279
LONG-TERM LIABILITIES		
Loans payable	3,000,000	4,335,501
Revenue participation rights	4,643,750	4,643,750
Total long-term liabilities	7,643,750	8,979,251
Total liabilities	36,450,651	36,186,530
Commitments and contingencies (NOTE G)		
STOCKHOLDERS' EQUITY/(DEFICIT)		
Preferred stock - $.0001 par value; 24,984,166 shares authorized; none outstanding	—	—
Common stock – $.0001 par value; 75,000,000 shares authorized; 8,388,821 and; 7,718,366 issued and outstanding for each period end presented	839	772
Additional paid-in capital	211,731,546	207,962,346
Accumulated deficit	(231,066,586)	(226,950,436)
Total stockholders' equity/(deficit) before non-controlling interest	(19,334,201)	(18,987,318)
Non-controlling interest	(13,664,280)	(12,115,547)
Total stockholders' equity/(deficit)	(32,998,481)	(31,102,865)
Total liabilities and stockholders' equity/(deficit)	$ 3,452,170	$ 5,083,665

The accompanying notes are an integral part of these financial statements.

ODYSSEY MARINE EXPLORATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS - Unaudited

	Three Months Ended		Six Months Ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
REVENUE				
Recovered cargo sales and other	$ —	$ —	$ —	$ 4,667
Expedition	587,270	1,217,318	1,236,623	1,795,128
Total revenue	587,270	1,217,318	1,236,623	1,799,795
OPERATING EXPENSES				
Marketing, general and administrative	1,749,601	1,937,523	3,379,556	4,317,839
Operations and research	900,799	1,293,803	2,203,315	3,493,794
Total operating expenses	2,650,400	3,231,326	5,582,871	7,811,633
INCOME (LOSS) FROM OPERATIONS	(2,063,130)	(2,014,008)	(4,346,248)	(6,011,838)
OTHER INCOME (EXPENSE)				
Interest expense	(664,735)	(596,287)	(1,379,631)	(930,347)
Change in derivative liabilities fair value	—	61,051	—	3,398,525
Other	21,335	9,652	60,998	391,630
Total other income (expense)	(643,400)	(525,584)	(1,318,633)	2,859,808
(LOSS) BEFORE INCOME TAXES	(2,706,530)	(2,539,592)	(5,664,881)	(3,152,030)
Income tax benefit (provision)	—	—	—	—
NET (LOSS) BEFORE NON-CONTROLLING INTEREST	(2,706,530)	(2,539,592)	(5,664,881)	(3,152,030)
Non-controlling interest	789,645	680,814	1,548,733	1,377,897
NET (LOSS)	$(1,916,885)	$(1,858,778)	$(4,116,148)	$(1,774,133)
NET (LOSS) PER SHARE				
Basic and diluted (See NOTE B)	$ (0.23)	$ (0.25)	$ (0.51)	$ (0.24)
Weighted average number of common shares outstanding				
Basic	8,322,512	7,544,345	8,022,108	7,542,728
Diluted	8,322,512	7,544,345	8,022,108	7,542,728

The accompanying notes are an integral part of these financial statements.

ODYSSEY MARINE EXPLORATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS - Unaudited

	Six Months Ended	
	June 30, 2017	June 30, 2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss before non-controlling interest	$(5,664,881)	$(3,152,030)
Adjustments to reconcile net loss to net cash (used) by operating activities:		
Depreciation and amortization	431,419	598,197
Director fees settled with equity instruments	—	18,415
Accrued interest converted into common stock	302,274	—
Gain on sale of equipment	(289,328)	(125,991)
Financed lender fees	—	50,000
Change in derivatives liabilities fair value	—	(3,398,525)
Note payable interest accretion	242,132	87,525
Share-based compensation	416,993	692,501
Deferred revenue	—	(383,148)
(Increase) decrease in:		
Accounts receivable	218,428	(798,345)
Other assets	385,023	(120,717)
Increase (decrease) in:		
Accounts payable	87,029	(279,199)
Accrued expenses and other	915,832	1,512,776
NET CASH (USED) BY OPERATING ACTIVITIES	(2,955,079)	(5,298,541)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of property and equipment	50,000	200,000
Purchase of property and equipment	—	(58,821)
NET CASH PROVIDED BY INVESTING ACTIVITIES	50,000	141,179
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of notes payable	3,000,000	4,825,000
Repayment of mortgage and loans payable	(280,871)	(76,789)
NET CASH PROVIDED BY FINANCING ACTIVITIES	2,719,129	4,748,211
NET (DECREASE) IN CASH	(185,950)	(409,151)
CASH AT BEGINNING OF PERIOD	1,662,643	2,241,317
CASH AT END OF PERIOD	$ 1,476,693	$ 1,832,166
SUPPLEMENTARY INFORMATION:		
Interest paid	$ 210,508	$ 718,722
Income taxes paid	$ —	$ —

Non-Cash Disclosure:

During the three-months ended June 30, 2017, we sold a marine vessel to a related party of Monaco for $650,000. The consideration for this vessel was applied against our loan balance to Monaco in the amount of $650,000, see NOTE B and NOTE H. During this same period, Epsilon Acquisitions LLC converted $3,050,000 plus accrued interest of $302,274 into 670,455 of our common shares, see NOTE H. $30,000 remains in other receivables from the sale of a marine asset.

The accompanying notes are an integral part of these financial statements.

ODYSSEY MARINE EXPLORATION, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE A – BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements of Odyssey Marine Exploration, Inc. and subsidiaries (the "Company," "Odyssey," "us," "we" or "our") have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission and the instructions to Form 10-Q and, therefore, do not include all information and footnotes normally included in financial statements prepared in accordance with generally accepted accounting principles. These interim consolidated financial statements should be read in conjunction with the consolidated financial statements and notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2016.

In the opinion of management, these financial statements reflect all adjustments, including normal recurring adjustments, necessary for a fair presentation of the financial position as of June 30, 2017 and the results of operations and cash flows for the interim period presented. Operating results for the six-month period ended June 30, 2017 are not necessarily indicative of the results that may be expected for the full year.

Recent accounting pronouncements

In May 2014, the Financial Accounting Standards Board, or the FASB, issued Accounting Standards Update 2014-09, Revenue from Contracts with Customers, or ASU 2014-09, which establishes a comprehensive revenue recognition standard under GAAP for almost all industries. The new standard will apply for annual periods beginning after December 15, 2017, including interim periods therein. Early adoption is prohibited. Based on management's review of this new standard along with the substance of our transactions, management is of the position this standard will not have a material impact on our financial statements.

In February 2016, the FASB issued Accounting Standards Update 2016-02, Leases, which establishes a comprehensive lease standard under GAAP for virtually all industries. The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase of the leased asset by the lessee. This classification will determine whether the lease expense is recognized based on an effective interest method or on a straight line basis over the term of the lease. A lessee is also required to record a right of use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales type leases, direct financing leases and operating leases. The new standard will apply for annual periods beginning after December 15, 2018, including interim periods therein, and requires modified retrospective application. Early adoption is permitted. Based on management's current understanding of this new standard along with the underlying substance of our operations, management believes it will not have a material impact on our financial statements.

Other recent accounting pronouncements issued by the FASB, the AICPA and the SEC did not or are not believed by management to have a material effect, if any, on the Company's financial statements.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Company is presented to assist in understanding our financial statements. The financial statements and notes are representations of the Company's management who are responsible for their integrity and objectivity and have prepared them in accordance with our customary accounting practices.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its direct and indirect wholly owned subsidiaries, both domestic and international. Equity investments in which we exercise significant influence but do not control and of which we are not the primary beneficiary are accounted for using the equity method. All significant inter-company and intra-company transactions and balances have been eliminated. The results of operations attributable to the non-controlling interest are presented within equity and net income, and are shown separately from the Company's equity and net income attributable to the Company. Some of the existing inter-company balances, which are eliminated upon consolidation, include features allowing the liability to be converted into equity of a subsidiary, which if exercised, could increase the direct or indirect interest of the Company in the non-wholly owned subsidiaries.

Use of Estimates

Management uses estimates and assumptions in preparing these consolidated financial statements in accordance with U.S. GAAP. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Revenue Recognition and Accounts Receivable

In accordance with Topic A.1. in SAB 13: Revenue Recognition, marine services expedition charter revenue is recognized ratably when realized and earned as time passes throughout the contract period as defined by the terms of the agreement. Expenses related to the marine services expedition charter revenue (also referred to as "marine services" revenue) are recorded as incurred and presented under the caption "Operations and research" on our Consolidated Statements of Operations.

Bad debts are recorded as identified and, from time to time, a specific reserve allowance will be established when required. A return allowance is established for sales that have a right of return. Accounts receivable is stated net of any recorded allowances.

Cash and Cash Equivalents

Cash, cash equivalents and restricted cash include cash on hand and cash in banks. We also consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. We have $10,000 of restricted cash for collateral related to a corporate credit card program.

Long-Lived Assets

Our policy is to recognize impairment losses relating to long-lived assets in accordance with the Accounting Standards Codification ("ASC") topic for Property, Plant and Equipment. Decisions are based on several factors, including, but not limited to, management's plans for future operations, recent operating results and projected cash flows. Impairment losses are included in depreciation at the time of impairment.

Property and Equipment and Depreciation

Property and equipment is stated at historical cost. Depreciation is calculated using the straight-line method at rates based on the assets' estimated useful lives which are normally between three and thirty years. Leasehold improvements are amortized over their estimated useful lives or lease term, if shorter. Major overhaul items (such as engines or generators) that enhanced or extended the useful life of vessel related assets qualified to be capitalized and depreciated over the useful life or remaining life of that asset, whichever was shorter. Certain major repair items required by industry standards to ensure a vessel's seaworthiness also qualified to be capitalized and depreciated over the period of time until the next scheduled planned major maintenance for that item. All other repairs and maintenance were accounted for under the direct-expensing method and are expensed when incurred.

The smaller vessel we received as consideration when we sold our *Odyssey Explorer* was sold in May 2016 to a creditor whose related party credited us $650,000 towards indebtedness owed by us as consideration for their acquisition of this vessel, see NOTE H. The amount capitalized for this asset was $416,329.

Earnings Per Share

See NOTE I regarding our 1-for-12 reverse stock split. Share related amounts have been retroactively adjusted in this report to reflect this reverse stock-split for all periods presented.

Basic earnings per share ("EPS") is computed by dividing income available to common stockholders by the weighted-average number of common shares outstanding for the period. In periods when the Company has income, the Company would calculate basic earnings per share using the two-class method, if required, pursuant to ASC 260 *Earnings Per Share.* The two-class method was required effective with the issuance of certain senior convertible notes in the past because these notes qualified as a participating security, giving the holder the right to receive dividends should dividends be declared on common stock. Under the two-class method, earnings for a period are allocated on a pro rata basis to the common stockholders and to the holders of convertible notes based on the weighted average number of common shares outstanding and number of shares that could be issued upon conversion. The Company does not use the two-class method in periods when it generates a loss because the holder of the convertible notes does not participate in losses. Currently, we do not have any outstanding convertible notes that qualify as a participating security.

Diluted EPS reflects the potential dilution that would occur if dilutive securities and other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that then shared in our earnings. We use the treasury stock method to compute potential common shares from stock options and warrants and the if-

converted method to compute potential common shares from preferred stock, convertible notes or other convertible securities. For diluted earnings per share, the Company uses the more dilutive of the if-converted method or two-class method. When a net loss occurs, potential common shares have an anti-dilutive effect on earnings per share and such shares are excluded from the diluted EPS calculation.

At June 30, 2017 and 2016, the weighted average common shares outstanding year-to-date were 8,022,108 and 7,542,728, respectively. For the periods in which net losses occurred, all potential common shares were excluded from diluted EPS because the effect of including such shares would be anti-dilutive.

The potential common shares in the following tables represent potential common shares calculated using the treasury stock method from outstanding options, stock awards and warrants that were excluded from the calculation of diluted EPS:

	Three Months Ended		Six Months Ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Average market price during the period	$ 3.58	$ 3.08	$ 3.90	$ 3.35
In the money potential common shares from options excluded	5,315	4,089	6,706	4,717
In the money potential common shares from warrants excluded	2,010	—	11,691	—

Potential common shares from out of the money options and warrants were also excluded from the computation of diluted EPS because calculation of the associated potential common shares has an anti-dilutive effect on EPS. The following table lists options and warrants that were excluded from diluted EPS:

	Per share exercise price	Three Months Ended June 30, 2017	Three Months Ended June 30, 2016	Six-Months Ended June 30, 2017	Six-Months Ended June 30, 2016
Out of the money options excluded:					
	$ 3.59	7,521	—	—	—
	$ 12.48	137,666	137,666	137,666	137,666
	$ 12.84	4,167	4,167	4,167	4,167
	$ 26.40	75,158	75,794	75,158	75,794
	$ 32.76	—	53,707	—	53,707
	$ 34.68	73,765	74,265	73,765	74,265
	$ 39.00	8,333	8,333	8,333	8,333
	$ 41.16	833	833	833	833
	$ 42.00	8,333	8,333	8,333	8,333
	$ 46.80	1,667	1,667	1,667	1,667
Out-of-the-money warrants excluded:					
	$ 43.20	—	130,208	—	130,208
Total excluded		317,443	494,973	309,922	494,973

The weighted average equivalent common shares relating to our unvested restricted stock awards that were excluded from potential common shares in the earning per share calculation due to having an anti-dilutive effect are:

	Three Months Ended		Six Months Ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
Potential common shares from unvested restricted stock awards excluded from EPS	238,921	88,096	238,921	88,096

The following is a reconciliation of the numerators and denominators used in computing basic and diluted net income per share:

	Three Months Ended June 30, 2017	Three Months Ended June 30, 2016	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016
Net income (loss)	$(1,916,885)	$(1,858,778)	$(4,116,148)	$(1,774,133)
Numerator, basic and diluted net income (loss) available to stockholders	$(1,916,885)	$(1,858,778)	$(4,116,148)	$(1,774,133)
Denominator:				
Shares used in computation – basic:				
Weighted average common shares outstanding	8,322,512	7,544,345	8,022,108	7,542,728
Common shares outstanding for basic	8,322,512	7,544,345	8,022,108	7,542,728
Shares used in computation – diluted:				
Common shares outstanding for basic	8,322,512	7,544,345	8,022,108	7,542,728
Shares used in computing diluted net income per share	8,322,512	7,544,345	8,022,108	7,542,728
Net (loss) per share – basic	$ (0.23)	$ (0.25)	$ (0.51)	$ (0.24)
Net (loss) per share – diluted	$ (0.23)	$ (0.25)	$ (0.51)	$ (0.24)

Income Taxes

Income taxes are accounted for using an asset and liability approach that requires the recognition of deferred tax assets and liabilities for the expected future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases. A valuation allowance is provided when it is more likely than not that some portion or the entire deferred tax asset will not be realized.

Stock-based Compensation

Our stock-based compensation is recorded in accordance with the guidance in the ASC topic for *Stock-Based Compensation* (See NOTE I).

Fair Value of Financial Instruments

Financial instruments consist of cash, evidence of ownership in an entity, and contracts that both (i) impose on one entity a contractual obligation to deliver cash or another financial instrument to a second entity, or to exchange other financial instruments on potentially unfavorable terms with the second entity, and (ii) conveys to that second entity a contractual right (a) to receive cash or another financial instrument from the first entity, or (b) to exchange other financial instruments on potentially favorable terms with the first entity. Accordingly, our financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable, accrued liabilities, derivative financial instruments and mortgage and loans payable. We carry cash and cash equivalents, accounts payable and accrued liabilities, and mortgage and loans payable at the approximate fair market value, and, accordingly, these estimates are not necessarily indicative of the amounts that we could realize in a current market exchange. We carry derivative financial instruments at fair value as is required under current accounting standards. Redeemable preferred stock has been carried at historical cost and accreted carrying values to estimated redemption values over the term of the financial instrument.

Derivative financial instruments consist of financial instruments or other contracts that contain a notional amount and one or more underlying variables (e.g., interest rate, security price or other variable), require no initial net investment and permit net settlement. Derivative financial instruments may be free-standing or embedded in other financial instruments. Further, derivative financial instruments are initially, and subsequently, measured at fair value and recorded as liabilities or, in rare instances, assets. See NOTE K for additional information. We generally do not use derivative financial instruments to hedge exposures to cash-flow, market or foreign-currency risks. However, we have entered into certain other financial instruments and contracts with features that are either (i) not afforded equity classification, (ii) embody risks not clearly and closely related to host contracts, or (iii) may be net-cash settled by the counterparty. As required by ASC 815 – *Derivatives and Hedging* , these instruments are required to be carried as derivative liabilities, at fair value, in our financial statements with changes in fair value reflected in our income.

Fair Value Hierarchy

The three levels of inputs that may be used to measure fair value are as follows:

Level 1. Quoted prices in active markets for identical assets or liabilities.

Level 2. Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets with insufficient volume or infrequent transactions (less active markets), or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data for substantially the full term of the assets or liabilities. Level 2 inputs also include non-binding market consensus prices that can be corroborated with observable market data, as well as quoted prices that were adjusted for security-specific restrictions.

Level 3. Unobservable inputs to the valuation methodology are significant to the measurement of the fair value of assets or liabilities. Level 3 inputs also include non-binding market consensus prices or non-binding broker quotes that we were unable to corroborate with observable market data.

Redeemable Preferred Stock

If we issue redeemable preferred stock instruments (or any other redeemable financial instrument), they are initially evaluated for possible classification as a liability in instances where redemption is certain to occur pursuant to ASC 480 – *Distinguishing Liabilities from Equity* . Redeemable preferred stock classified as a liability is recorded and carried at fair value. Redeemable preferred stock that does not, in its entirety, require liability classification is evaluated for embedded features that may require bifurcation and separate classification as derivative liabilities. In all instances, the classification of the redeemable preferred stock host contract that does not require liability classification is evaluated for equity classification or mezzanine classification based upon the nature of the redemption features. Generally, mandatory redemption requirements or any feature that could require cash redemption for matters not within our control, irrespective of probability of the event occurring, requires classification outside of stockholders' equity. Redeemable preferred stock that is recorded in the mezzanine section is accreted to its redemption value through charges to stockholders' equity when redemption is probable using the effective interest method. We have no redeemable preferred stock outstanding for the periods presented.

Subsequent Events

We have evaluated subsequent events for recognition or disclosure through the date this Form 10-Q is filed with the Securities and Exchange Commission.

NOTE C – ACCOUNTS RECEIVABLE

Our accounts receivable consist of the following:

	June 30, 2017	December 31, 2016
Trade	$ 1,389	$ 2,569,108
Related party	200,970	205,497
Other	83,019	44,930
Reserve allowance	—	(2,345,729)
Total accounts receivable, net	$285,378	$ 473,806

The trade receivable balance at December 31, 2016 consists primarily of a trade receivable from Neptune Minerals, Inc., for which a reserve allowance for the full amount of $2,345,729 has been made for the reported period end. In February 2017, we entered into a debt agreement with SMOM Limited ("SMOM") for a financing arrangement pursuant to which we assigned this Neptune Minerals, Inc. receivable to SMOM as a commitment fee. Being fully reserved, this Neptune Minerals, Inc. receivable had a carrying value of zero. Monaco and related affiliates owe us $200,970 and $205,497 for the periods ended June 30, 2017 and December 31, 2016, respectively, for support services and marine services rendered on their behalf. See NOTE H for further information regarding Monaco.

NOTE D – RELATED PARTY TRANSACTIONS

In December 2015, we entered into an asset acquisition agreement with Monaco Financial, LLC ("Monaco"). See NOTE S to the consolidated financial statements included in our Form 10-K filed with the Securities and Exchange Commission for the year ended December 31, 2015 for further information. We had accounts receivable with Monaco and related affiliates at June 30, 2017 and December 31, 2016 of $200,970 and $205,497, respectively. We had operating payables with Monaco at June 30, 2017 and December 31, 2016 of $259,213 and $267,824, respectively. See NOTE H for further debt commitments between the entities. Based on the economic substance of these business transactions, we consider Monaco Financial, LLC to be an affiliated company, thus a related party. We do not own any financial interest in Monaco. We have and expect to perform and complete marine shipwreck search and recovery charter services for this related party from which we will recognize the appropriate revenue. We also lease our corporate office space on an annually renewable basis from Monaco at market rate of $20,080 per month.

NOTE E – INVESTMENTS IN UNCONSOLIDATED ENTITIES

Neptune Minerals, Inc. ("NMI")

Our current investment position in NMI consists of 3,092,488 Class B Common non-voting shares and 2,612 Series A Preferred non-voting shares. These preferred shares are convertible into an aggregate of 261,200 shares of Class B non-voting common stock. Our holdings now constitute an approximate 14% ownership in NMI. At December 31, 2016, our estimated share of unrecognized NMI equity-method losses is approximately $21.3 million. We have not recognized the accumulated $21.3 million in our income statement because these losses exceeded our investment in NMI. Our investment has a carrying value of zero as a result of the recognition of our share of prior losses incurred by NMI under the equity method of accounting. We believe it is appropriate to allocate this loss carryforward of $21.3 million to any incremental NMI investment that may be recognized on our balance sheet in excess of zero since the losses occurred when they were an equity-method investment. The aforementioned loss carryforward is based on NMI's last unaudited financial statements as of December 31, 2016. We do not believe losses NMI may have incurred in 2017 to be material. We do not have any financial obligations to NMI, and we are not committed to provide financial support to NMI.

Although we are a shareholder of NMI, we have no representation on the board of directors or in management of NMI and do not hold any Class A voting shares. We are not involved in the management of NMI nor do we participate in their policy-making. Accordingly, we are not the primary beneficiary of NMI and are not required to consolidate NMI. As of June 30, 2017, the net carrying value of our investment in NMI was zero in our consolidated financial statements.

Chatham Rock Phosphate, Ltd.

During 2012, we performed deep-sea mining exploratory services for Chatham Rock Phosphate, Ltd. ("CRP") valued at $1,680,000. As payment for these services, CRP issued 9,320,348 ordinary shares to us. During March 2017, Antipodes Gold Limited completed the acquisition of CRP. The surviving entity is now named Chatham Rock Phosphate Limited ("CRPL"). In exchange for our 9,320,348 shares of CRP we received 141,884 shares of CPRL, which represents equity ownership of approximately 1% of the surviving entity. Since CRP was a thinly traded stock and pursuant to guidance per ASC 320: *Debt and Equity Securities* regarding readily determinable fair value, we believe it was appropriate to not recognize this amount as an asset nor as revenue during that period. We continue to carry the value of our investment in CPRL at zero in our consolidated financial statements.

NOTE F – INCOME TAXES

During the six-month period ended June 30, 2017, we generated a federal net operating loss ("NOL") carryforward of $2.9 million and generated $3.1 million of foreign NOL carryforwards. As of June 30, 2017, we had consolidated income tax NOL carryforwards for federal tax purposes of approximately $157.2 million and net operating loss carryforwards for foreign income tax purposes of approximately $28.3 million. The federal NOL carryforwards from 2005 forward will expire in various years beginning in 2025 and ending through the year 2035.

Deferred income tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income tax assets and liabilities are measured using enacted tax rates expected to be recovered or settled. We have recorded a net deferred tax asset of $0 at June 30, 2017. As required by the *Accounting for Income Taxes* topic in the ASC, we have concluded it is more likely than not that those assets would not be realizable without the recovery and rights of ownership or salvage rights of high value shipwrecks or substantial profits from our mining operations and thus a valuation allowance has been recorded as of June 30, 2017. There was no U.S. income tax expense for the six months ended June 30, 2017 due to the generation of net operating losses.

The increase in the valuation allowance as of June 30, 2017 is due to the generation of approximately $4.1 million in net operating loss year-to-date.

The change in the valuation allowance is as follows:

June 30, 2017	$70,515,931
December 31, 2016	69,481,041
Change in valuation allowance	$ 1,034,890

Our estimated annual effective tax rate as of June 30, 2017 is 25.14% while our June 30, 2017 effective tax rate is 0.0% because of the full valuation allowance.

We have not recognized a material adjustment in the liability for unrecognized tax benefits and have not recorded any provisions for accrued interest and penalties related to uncertain tax positions. The earliest tax year still subject to examination by a major taxing jurisdiction is 2013.

NOTE G – COMMITMENTS AND CONTINGENCIES

Legal Proceedings

The Company may be subject to a variety of claims and suits that arise from time to time in the ordinary course of business. We are currently not a party to any litigation.

Contingency

During March 2016, our Board of Directors approved the grant and issuance of 3.0 million new equity shares of Oceanica Resources, S.R.L. to two attorneys for their future services. This equity is only issuable upon the Mexican's government approval of the Environmental Impact Assessment ("EIA") for our Mexican subsidiary. This grant of new shares was also approved by the Administrators of Oceanica Resources, S.R.L. We also owe a consultant a contingent success fee of $200,000 upon the approval of the EIA. The EIA has not been approved as of the date of this report.

Going Concern Consideration

We have experienced several years of net losses and may continue to do so. Our ability to generate net income or positive cash flows for the following twelve months is dependent upon our success in developing and monetizing our interests in mineral exploration entities, generating income from exploration charters, collecting on amounts owed to us, and completing the Minera del Norte S.A. de c.v. ("MINOSA") and Penelope Mining LLC ("Penelope") equity financing transaction approved by our stockholders on June 9, 2015. On March 24, 2017, we received NASDAQ communication notifying us our market capitalization was below the required minimum of $35.0 million for 30 consecutive days. The notice provided 180 days, or until September 20, 2017, to regain compliance. To regain compliance during this period, the market capitalization of our public common shares must be at least $35.0 million for ten consecutive business days. On August 3, 2017, we met this compliance requirement. Our 2017 business plan requires us to generate new cash inflows to effectively allow us to perform our planned projects. We plan to generate new cash inflows through the monetization of our receivables and equity stakes in seabed mineral companies, financings, syndications or other partnership opportunities. One or more of the planned opportunities for raising cash may not be realized to the extent needed which may require us to curtail our desired business plan until we generate additional cash. In May 2017, we entered into a loan agreement with SMOM for $3.0 million, of which all $3.0 million has been received, see NOTE H. On March 11, 2015, we entered into a Stock Purchase Agreement with MINOSA and Penelope, an affiliate of MINOSA, pursuant to which (a) MINOSA agreed to extend short-term, debt financing to Odyssey of up to $14.75 million, and (b) Penelope agreed to invest up to $101 million over three years in convertible preferred stock of Odyssey. The equity financing is subject to the satisfaction of certain conditions, including the approval of our stockholders which occurred on June 9, 2015, and MINOSA and Penelope are currently under no obligation to make the preferred share equity investments. (See Management's Discussion and Analysis of Financial Condition and Results of Operations—Financings.) See NOTE H for further detail on MINOSA related debt. Even though we executed the above noted financing arrangements, Penelope must purchase the shares for us to be able to complete the equity component of the transaction. The Penelope equity transaction is heavily dependent on the outcome of our subsidiary's application approval process for an environmental permit to commercially develop a mineralized phosphate deposit off the coast of Mexico. We pledged the majority of our remaining assets to MINOSA, and its affiliates, and to Monaco Financial LLC, leaving us with few opportunities to raise additional funds from our balance sheet. If cash inflow is not sufficient to meet our desired projected business plan requirements, we will be required to follow a contingency business plan which is based on curtailed expenses and fewer cash requirements. Our consolidated non-restricted cash balance at June 30, 2017 was $1.5 million which is insufficient to support operations for the following 12 months. We have a working capital deficit at June 30, 2017 of $26.8 million. Therefore, the factors noted above raise doubt about our ability to continue as a going concern. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should we be unable to continue as a going concern.

NOTE H – LOANS PAYABLE

The Company's consolidated debt consisted of the following at:

	June 30, 2017	December 31, 2016
Note 1 – Monaco 2014	$ 2,800,000	2,800,000
Note 2 – Monaco 2016	1,059,439	1,535,501
Note 3 – MINOSA	14,750,001	14,750,001
Note 4 – Epsilon	3,000,000	5,981,806
Note 5 – SMOM	3,000,000	—
	$24,609,440	$25,067,308

Note 1 – Monaco 2014

On August 14, 2014, we entered into a Loan Agreement with Monaco Financial, LLC ("Monaco"), a strategic marketing partner, pursuant to which Monaco agreed to lend us up to $10.0 million. The loan was issued in three tranches: (i) $5.0 million (the "First Tranche") was advanced upon execution of the Loan Agreement; (ii) $2.5 million (the "Second Tranche") was issued on October 1, 2014; and (iii) $2.5 million (the "Third Tranche") was issued on December 1, 2014. The Notes bear interest at a rate equal to 11% per annum. The Notes also contain an option whereby Monaco can purchase shares of Oceanica held by Odyssey (the "Share Purchase Option") at a purchase price which is the lower of (a) $3.15 per share or (b) the price per share of a contemplated equity offering of Oceanica which totals $1.0 million or more in the aggregate. The share purchase option was not clearly and closely related to the host debt agreement and required bifurcation.

On December 10, 2015, these promissory notes were amended as part of the asset acquisition agreement with Monaco. The amendment included the following material changes: (i) $2.2 million of the indebtedness represented by the Notes was extinguished, (ii) $5.0 million of the indebtedness represented by the Notes ceased to bear interest and is only repayable under certain circumstances from certain sources of cash, and (iii) the maturity date on the Notes was extended to December 31, 2017. During March 2016, the maturity date was amended to April 1, 2018 and the purchase price of the Share Purchase Option was re-priced to $1.00 per share. See "Loan Modification (March 2016)" below.

The outstanding interest-bearing balance of these Notes was $2.8 million at June 30, 2017 and December 31, 2016, respectively. The book carrying value of the Notes was $2.8 million, all of which is classified as long term. There was no amortization of debt discount recorded for the six months ended June 30, 2017 or June 30, 2016.

Note 2 – Monaco 2016

In March 2016, Monaco agreed to lend us an additional $1,825,000. These loan proceeds were received in full during the first quarter of 2016. The indebtedness bears interest at 10.0% percent per year. All principal and any unpaid interest is payable on April 15, 2018. The current outstanding balance is $1,175,000. The indebtedness is convertible at any time until the maturity date into shares of Oceanica held by us at a conversion price of $1.00 per share. Pursuant to this loan and as security for the indebtedness, Monaco was granted a second priority security interest in (a) one-half of the indebtedness evidenced by the Amended and Restated Consolidated Note and Guaranty, dated September 25, 2015 (the "ExO Note"), in the original principal amount of $18.0 million, issued by Exploraciones Oceanicas S. de R.L. de C.V. to Oceanica Marine Operations, S.R.L. ("OMO"), and all rights associated therewith (the "OMO Collateral"); and (b) all technology and assets in our possession or control used for offshore exploration, including an ROV system, deep-tow search systems, winches, multi-beam sonar, and other equipment. The carrying value of this equipment is $0.9 million. We unconditionally and irrevocably guaranteed all obligations of Odyssey and its subsidiaries to Monaco under this loan agreement. As further consideration for the loan, Monaco was granted an option (the "Option") to purchase the OMO Collateral. The Option is exercisable at any time before the earlier of (a) the date that is 30 days after the loan is paid in full or (b) the maturity date of the ExO Note, for aggregate consideration of $9.3 million, $1.8 million of which would be paid at the closing of the exercise of the Option, with the balance paid in ten monthly installments of $750,000. During the three-months ended, we sold a marine vessel to a related party of Monaco for $650,000. The consideration for this vessel was applied against our loan balance to Monaco in the amount of $650,000.

Accounting considerations

ASC 815 generally requires the analysis of embedded terms and features that have characteristics of derivatives to be evaluated for bifurcation and separate accounting in instances where their economic risks and characteristics are not clearly and closely related to the risks of the host contract. The option to purchase the OMO Collateral is an embedded feature that is not clearly and closely related to the host debt agreement and thus requires bifurcation. Since the option is out of the money, it has no material fair value as of the inception date or currently. The debt agreement did not contain any additional embedded terms or features that have characteristics of derivatives. However, we were required to consider whether the hybrid contract embodied a beneficial conversion feature ("BCF"). The calculation of the effective conversion amount did result in a BCF because the effective conversion price was less than the market price on the date of issuance, therefore a BCF of $456,250 was recorded. The BCF represents a debt discount which will be amortized over the life of the loan. For the three months ended June 30, 2017 and June 30, 2016, interest expense related to the discount in the amount of $117,716 and $50,472, respectively, was recorded. For the three months ended June 30, 2017 and June 30, 2016, accrued interest in the amount of $29,294 and $45,500, respectively, was recorded.

Loan modification (December 2015)

In connection with the Acquisition Agreement entered into with Monaco on December 10, 2015, Monaco agreed to modify certain terms of the loans as partial consideration for the purchase of assets. For the First Tranche ($5,000,000 issued on August 14, 2014), Monaco agreed to cease interest as of December 10, 2015 and reduce the loan balance by (i) the cash or other value received from the SS *Central America* shipwreck project (“SSCA”) or (ii) if the proceeds received from the SSCA project are insufficient to pay off the loan balance by December 31, 2017, then Monaco can seek repayment of the remaining outstanding balance on the loan by withholding Odyssey’s 21.25% “additional consideration” in new shipwreck projects performed for Monaco in the future. For the Second Tranche ($2,500,000 issued on October 1, 2014), Monaco agreed to reduce the principal amount by $2,200,000 leaving a new principal balance of $300,000 and extension of maturity to December 31, 2017. For the Third Tranche ($2,500,000 issued on December 1, 2014), Monaco agreed to the extension of maturity to December 31, 2017.

On December 10, 2015, the Monaco call option on $10 million of Oceanica shares held by Odyssey was maintained for the full amount of the original loan amount and was extended until December 31, 2017.

The Acquisition Agreement was accounted for as a troubled debt restructuring in accordance with ASC 470-60. As a result of the troubled debt restructuring, the carrying values of the remaining Monaco loans were required to be recorded at their undiscounted future cash flow values, which amounted to $3,449,632. No interest expense was to be recorded going forward. Interest payments in the three months ended March 31, 2016 reduced the carrying value.

Loan modification (March 2016)

In connection with the $1.825 million loan agreement with Monaco in March 2016, the existing $2.8 million notes were modified. Of the combined total indebtedness of Monaco’s Note 1 and Note 2, Monaco can convert this debt into 3,174,603 shares of Oceanica at a fixed conversion price of $1.00 per share, or $3,174,603. Any remaining debt in excess of $3,174,603 is not convertible. Additionally, the modification eliminated Monaco’s option (“share purchase option”) to purchase 3,174,603 shares of Oceanica stock at a price of $3.15 per share. The modification was analyzed under ASC 480 *Distinguishing Liabilities from Equity* (“ASC 480”) to determine if extinguishment accounting was applicable. Under ASC 470-50-40-10 a modification or an exchange that adds or eliminates a substantive conversion option as of the conversion date is always considered substantial and requires extinguishment accounting. Since this modification added a substantive conversion option, extinguishment accounting is applicable. In accordance with the extinguishment accounting guidance (a) the share purchase option was first marked to its pre-modification fair value, (b) the new debt was recorded at fair value and (c) the old debt and share purchased option was removed. The difference between the fair value of the new debt and the sum of the pre-modification carrying amount of the old debt and the share purchase option’s fair value represented a gain on extinguishment. ASC 470-50-40-2 indicates that debt restructuring with a related party may be in essence a capital transaction and as a result the gain upon extinguishment was recognized in additional paid in capital. We performed the following steps:

Step 1 : After the share purchase option has been market to its pre-modification fair value, the fair value of the new debt is determined. The fair value of the new debt is as follows:

Monaco loans	Loan one
Forward cash flows:	
Principal	$2,800,000
Interest	559,463
Total forward cash flows	$3,359,463
Present value of forward cash flows	$2,554,371
Fair value of equity conversion option	1,063,487
Fair value of debt	$3,617,858

Significant inputs and results arising from the Binomial Lattice process are as follows for the conversion option that is classified in equity after the modification in March 2016:

Underlying price on valuation date	$1.25
Contractual conversion rate	$1.00
Contractual term to maturity	1.82 Years
Implied expected term to maturity	1.82 Years
Market volatility:	
Range of volatilities	96.0% - 154.0%
Equivalent volatilities	120.1%
Risk free rates using zero coupon US Treasury Security rates	0.29% - 0.68%
Equivalent market risk adjusted interest rates	0.52%

Monaco loans	**Loan one**
Forward cash flows:	
Face value	$2,800,000
Fair value	3,617,858
Difference (premium)*	$ 817,858

* ASC 470-20-25-13 provides that if a convertible debt instrument is issued at a substantial premium, there is a presumption that such premium represents paid in capital. Since the total face amount of the new loans is $2,800,000, we conclude that the $817,858 was substantial and recorded that premium to additional paid-in capital.

Step 2 : The old debt and call option are removed with any difference between the fair value of the new debt and the sum of the pre-modification carrying amount of the old debt and the call option's fair value recognized as a gain or loss upon extinguishment. The allocation is as follows:

	Allocation
Derivative liabilities (share purchase options)	$ 1,456,825
Monaco Loan (Old Debt)	3,372,844
Monaco Loan (New Debt)	(2,800,000)
APIC (Premium)	(817,858)
Difference to APIC*	$ 1,211,811

* The difference between the fair value of the new debt and the sum of the pre-modification carrying amount of the old debt and the share purchase option's fair value represented a gain on extinguishment. ASC 470-50-40-2 indicates that debt restructuring with a related party may be in essence a capital transaction and as a result the gain upon extinguishment was recognized in additional paid in capital.

Note 3 – MINOSA

On March 11, 2015, in connection with a Stock Purchase Agreement, Minera del Norte, S.A. de C.V. ("MINOSA") agreed to lend us up to $14.75 million. The entire $14.75 million was loaned in five advances from March 11 through June 30, 2015. The outstanding indebtedness bears interest at 8.0% percent per annum. The Promissory Note was amended on April 10, 2015 and on October 1, 2015 so that, unless otherwise converted as provided in the Note, the adjusted principal balance shall be due and payable in full upon written demand by MINOSA; provided that MINOSA agrees that it shall not demand payment of the adjusted principal balance earlier than the first to occur of: (i) 30 days after the date on which (x) SEMARNAT makes a determination with respect to the current application for the Manifestacion de Impacto Ambiental relating to the Don Diego Project, which determination is other than an approval or (y) Odyssey Marine Enterprises or any of its affiliates withdraws such application without MINOSA's prior written consent; (ii) termination by Odyssey of the Stock Purchase Agreement, dated March 11, 2015 (the "Purchase Agreement"), among Odyssey, MINOSA, and Penelope Mining, LLC (the "Investor"); (iii) the occurrence of an event of default under the Promissory Note; (iv) December 31, 2015; or (v) if and only if the Investor shall have terminated the Purchase Agreement pursuant to Section 8.1(d)(iii) thereof, March 30, 2016. In connection with the loans, we granted MINOSA an option to purchase our 54% interest in Oceanica for $40.0 million (the "Oceanica Call Option. As of March 11, 2016, the Oceanica Call has expired. Completion of the transaction requires amending the Company's articles of incorporation to (a) effect a reverse stock split, which was done on February 19, 2016, (b) adjusting the Company's authorized capitalization, which was also done on February 19, 2016, and (c) establishing a classified board of directors (collectively, the "Amendments"). The Amendments have been or will be set forth in certificates of amendment to the Company's articles of incorporation filed or to be filed with the Nevada Secretary of State. As collateral for the loan, we granted MINOSA a security interest in the Company's 54% interest in Oceanica. The outstanding principal balance of this debt was $14.75 million at June 30, 2017 and December 31, 2016, respectively. The maturity date of this note has been amended and matured on March 18, 2017.

Accounting considerations

We have accounted for this transaction as a financing transaction, wherein the net proceeds received were allocated to the financial instruments issued. Prior to making the accounting allocation, we evaluated for proper classification under ASC 480 *Distinguishing Liabilities from Equity* ("ASC 480"), ASC 815 *Derivatives and Hedging* ("ASC 815") and ASC 320 *Property, Plant and Equipment* ("ASC 320").

This debt agreement did not contain any embedded terms or features that have characteristics of derivatives. The Oceanica Call Option is considered a freestanding financial instrument because it is both (i) legally detachable and (ii) separately exercisable. The Oceanica Call Option did not fall under the guidance of ASC 480. Additionally, it did not meet the definition of a derivative under ASC 815 because the option has a fixed value of $40.0 million and does not contain an underlying variable which is indicative of a derivative. This instrument is considered an option contract for a sale of an asset. The guidance applied in this case is ASC 360-20, which provides that in situations when a party lends funds to a seller and is given an option to buy the property at a certain date in the future, the loan shall be recorded at its present value using market interest rates and any excess of the proceeds over that amount credited to an option deposit account. If the option is exercised, the deposit shall be included as part of the sales proceeds; if not exercised, it shall be credited to income in the period in which the option lapses.

Based on the previous conclusions, we allocated the cash proceeds first to the debt at its present value using a market rate of 15%, which is management's estimate of a market rate loan for the Company, with the residual allocated to the Oceanica Call Option, as follows:

	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5	Total
Promissory Note	$1,932,759	$5,826,341	$2,924,172	$1,960,089	$ 1,723,492	$14,366,853
Deferred Income (Oceanica Call Option)	67,241	173,659	75,828	39,911	26,509	383,148
Proceeds	$2,000,000	$6,000,000	$3,000,000	$2,000,000	$1,750,0001	$14,750,001

The call option amount of $383,148 represented a debt discount. This discount has been fully accreted up to face value using the effective interest method.

Note 4 – Epsilon

On March 18, 2016 we entered into a Note Purchase Agreement ("Purchase Agreement") with Epsilon Acquisitions LLC ("Epsilon"). Pursuant to the Purchase Agreement, Epsilon loaned us $3.0 million in two installments of $1.5 million on March 31, 2016 and April 30, 2016. The indebtedness bears interest at a rate of 10% per annum and was due on March 18, 2017. We were also responsible for $50,000 of the lender's out of pocket costs. This amount is included in the loan balance. In pledge agreements related to the loans, we granted security interests to Epsilon in (a) the 54 million cuotas (a unit of ownership under Panamanian law) of Oceanica Resources S. de R.L. ("Oceanica") held by our wholly owned subsidiary, Odyssey Marine Enterprises, Ltd. ("OME"), (b) all notes and other receivables from Oceanica and its subsidiary owed to the Odyssey Pledgors, and (c) all of the outstanding equity in OME. Epsilon has the right to convert the outstanding indebtedness into shares of our common stock upon 75 days' notice to us or upon a merger, consolidation, third party tender offer, or similar transaction relating to us at the conversion price of $5.00 per share, which represents the five-day volume-weighted average price of Odyssey's common stock for the five trading day period ending on March 17, 2016. On January 25, 2017, Epsilon provided notice to us that it will convert the initial $3.0 million plus accrued interest per the Restated Note Purchase Agreement at $5.00 per share in accordance with the terms of the agreement. The conversion and issuance of new shares is effective April 10, 2017 and includes accrued interest of $302,274 for a total 670,455 shares. Upon the occurrence and during the continuance of an event of default, the conversion price was to be reduced to $2.50 per share. Following any conversion of the indebtedness, Penelope Mining LLC (an affiliate of Epsilon) ("Penelope"), may elect to reduce its commitment to purchase preferred stock of Odyssey under the Stock Purchase Agreement, dated as of March 11, 2015 (as amended, the "Stock Purchase Agreement"), among Odyssey, Penelope, and Minera del Norte, S.A. de C.V. ("MINOSA") by the amount of indebtedness converted.

Pursuant to the Purchase Agreement (a) we agreed to waive our rights to terminate the Stock Purchase Agreement in accordance with the terms thereof until December 31, 2016, and (b) MINOSA agreed to extend, until March 18, 2017, the maturity date of the $14.75 million loan extended by MINOSA to OME pursuant to the Stock Purchase Agreement. The indebtedness may be accelerated upon the occurrence of specified events of default including (a) OME's failure to pay any amount payable on the date due and payable; (b) OME or we fail to perform or observe any term, covenant, or agreement in the Purchase Agreement or the related documents, subject to a five-day cure period; (c) an event of default or material breach by OME, us or any of our affiliates under any of the other loan documents shall have occurred and all grace periods, if any, applicable thereto shall have expired; (d) the Stock Purchase Agreement shall have been terminated; (e) specified dissolution, liquidation, insolvency, bankruptcy, reorganization, or similar cases or actions are commenced by or against OME or any of its subsidiaries, in specified circumstances unless dismissed or stayed within 60 days; (f) the entry of judgment or award against OME or any of its subsidiaries in excess or $100,000; and (g) a change in control (as defined in the Purchase Agreement) occurs.

In connection with the execution and delivery of the Purchase Agreement, we and Epsilon entered into a registration rights agreement pursuant to which we agreed to register new shares of our common stock with a formal registration statement with the Securities and Exchange Commission upon the conversion of the indebtedness.

Accounting considerations

We have accounted for this transaction as a financing transaction, wherein the net proceeds received were allocated to the financial instruments issued. Prior to making the accounting allocation, we evaluated for proper classification under ASC 480 *Distinguishing Liabilities from Equity* ("ASC 480"), ASC 815 *Derivatives and Hedging* ("ASC 815") and ASC 320 *Property, Plant and Equipment* ("ASC 320").

This debt agreement did not contain any embedded terms or features that have characteristics of derivatives. However, we were required to consider whether the hybrid contract embodied a beneficial conversion feature ("BCF"). The calculation of the effective conversion amount did result in a BCF because the effective conversion price was less than the Company's stock price on the date of issuance, therefore a BCF of $96,000 was recorded. The BCF represents a debt discount which will be amortized over the life of the loan.

Loan modification (October 1, 2016)

On October 1, 2016 Odyssey Marine Enterprises, Ltd. ("OME"), entered into an Amended and Restated Note Purchase Agreement (the "Restated Note Purchase Agreement") with Epsilon Acquisitions LLC ("Epsilon"). In connection with the existing $3.0 million loan agreement, Epsilon agreed to lend an additional $3.0 million of secured convertible promissory notes. The convertible promissory notes bear an interest rate of 10.0% per annum and are due and payable on March 18, 2017. The principal balance of this debt at June 30, 2017 is $3,000,000. Epsilon has the right to convert all amounts outstanding under the Restated Note into shares of our common stock upon 75 days' notice to OME or upon a merger, consolidation, third party tender offer, or similar transaction relating to us at the applicable conversion price, which is (a) $5.00 per share with respect to the $3.0 million already advanced under the Restated Note and (b) with respect to additional advances under the Restated Note, the five-day volume-weighted average price of our common stock for the five trading day period ending on the trading day immediately prior to the date on which OME submits a borrowing notice for such advance. Notwithstanding anything herein to the contrary, we shall not issue any of our common stock upon conversion of any outstanding tranche (other than the first $3.0 million already advanced) under this Restated Note in excess of 1,388,769 shares of common stock. The additional tranches were issued as follows: (a) $1,000,000 ("Tranche 3") was issued on October 16, 2016 with a conversion price of $3.52 per share; (b) $1,000,000 ("Tranche 4") was issued on November 15, 2016 with a conversion price of $4.19 per share; and (c) $1,000,000 ("Tranche 5") was issued on December 15, 2016 with a conversion price of $4.13 per share. During 2016, Epsilon assigned Tranche 4 and 5 totaling $2,000,000 of this debt to MINOSA under the same terms as the original debt.

As an inducement for the issuance of the additional $3.0 million of promissory notes, we also delivered to Epsilon a common stock purchase warrant (the "Warrant") pursuant to which Epsilon has the right to purchase up to 120,000 shares of our common stock at an exercise price of $3.52 per share, which exercise price represents the five-day volume-weighted average price of our common stock for the five trading day period ending on the trading day immediately prior to the day on which the Warrant was issued. Epsilon may exercise the Warrant in whole or in part at any time during the period ending October 1, 2021. The Warrant includes a cashless exercise feature and provides that, if Epsilon is in default of its obligations to fund any advance pursuant to and in accordance with the Restated Note Purchase Agreement, then, thereafter, the maximum aggregate number of shares of common stock that may be purchased under the Warrant shall be the number determined by multiplying 120,000 by a fraction, (a) the numerator of which is the aggregate principal amount of advances that have been extended to the OME by Epsilon pursuant to the Restated Note Purchase Agreement on or after the date of the Warrant and prior to the date of such failure and (b) the denominator of which is $3.0 million.

Accounting considerations for additional tranches

We evaluated for proper classification under ASC 480 *Distinguishing Liabilities from Equity* ("ASC 480"), ASC 815 *Derivatives and Hedging* ("ASC 815") and ASC 320 *Property, Plant and Equipment* ("ASC 320"). This debt agreement did not contain any embedded terms or features that have characteristics of derivatives. Additionally, the warrant agreement did not contain any terms or features that would preclude equity classification. We were required to consider whether the hybrid contract embodied a beneficial conversion feature ("BCF"). The allocations of the three additional tranches were as follows.

	Tranche 3	Tranche 4	Tranche 5
Promissory Note	$ 981,796	$ 939,935	$1,000,000
Beneficial Conversion Feature ("BCF")*	18,204	60,065	—
Proceeds	$1,000,000	$1,000,000	$1,000,000

A beneficial conversion feature arises when the calculation of the effective conversion price is less than the Company's stock price on the date of issuance. Tranche 5 did not result in a BCF because the effective conversion price was greater than the company's stock price on the date of issuance.

The warrants fair values were calculated using Black-Scholes Merton ("BSM"). The aggregate fair value of the warrants totaled $303,712. Since the warrants were issued as an inducement to Epsilon to issue additional debt, we recorded an inducement expense of $303,712. For the three months ended June 30, 2017 and June 30, 2016, interest expense related to the discount in the amount of $0 and $23,472, respectively, was recorded. For the three months ended June 30, 2017 and June 30, 2016, accrued interest in the amount of $83,151 and $78,547, respectively, was recorded.

Term Extension (March 21, 2017)

On March 21, 2017 we entered into an amendment to the Restated Note Purchase Agreement with Epsilon. In connection with the existing $6.0 million loan agreement, the adjusted principal balance is due and payable in full upon the earlier of (i) written demand by Epsilon or (ii) such time as Odyssey or the guarantor pays any other indebtedness for borrowed money prior to its stated maturity date. As such the Company amortized the notes up to their face value of $6,050,000 and they are classified as short-term. However, since Epsilon converted the first $3.0 million into 670,455 of our common shares, the current indebtedness is $3.0 million.

Note 5 – SMOM

On May 4, 2017, we entered into a Loan and Security Agreement ("Loan Agreement") with SMOM. Pursuant to the Loan Agreement, SMOM agreed to loan us up to $3.0 million as evidenced by a convertible promissory note. As a commitment fee, we assigned the remaining 50% of our Neptune Minerals, LLC receivable to SMOM. This receivable had zero carrying value on our balance sheet (See NOTE C). All $3.0 million represented by this Loan Agreement has been funded. The indebtedness bears interest at a rate of 10% per annum and matures on the second anniversary of this Loan Agreement. The holder has the option to convert any unpaid principal and interest into up to 50% of the equity interest held by Odyssey in Aldama Mining Company, S.de R.L. de C.V. which is a wholly owned subsidiary of ours. The conversion value of $1.0 million equates to 10% of the equity interest in Aldama. If the holder elects to acquire the entire 50.0% of the equity interest, but the amount of debt and interest accumulated to be converted is insufficient to acquire the entire 50% equity interest, the Holder has to pay the deficiency in cash. As additional consideration for the loan, the holder has the right to purchase from Odyssey all or a portion of the equity collateral (up to the 50% of the equity interest of Aldama) for the option consideration ($1.0 million for each 10% of equity interests) during the period that is the later of (i) one year after the maturity date and (ii) one year after the loan is repaid in full, the expiration date. The lender may also choose to extend the expiration date annually by paying $500,000 for each year extended.

Accounting considerations

We have accounted for this transaction as a financing transaction, wherein the net proceeds received were allocated to the financial instruments issued. Prior to making the accounting allocation, we evaluated for proper classification under ASC 480 *Distinguishing Liabilities from Equity* ("ASC 480"), ASC 815 *Derivatives and Hedging* ("ASC 815") and ASC 320 *Property, Plant and Equipment* ("ASC 320").

This debt agreement did not contain any embedded terms or features that have characteristics of derivatives. However, we were required to consider whether the hybrid contract embodied a beneficial conversion feature ("BCF"). The calculation of the effective conversion amount did not result in a BCF because the effective conversion price was equal to the value of the Company's value on the date of issuance.

NOTE I – STOCKHOLDERS' EQUITY (DEFICIT)

At our Annual Meeting of Stockholders on June 9, 2015, our stockholders approved a 1-for-6 reverse stock split. On February 9, 2016, our Board of Directors authorized an additional 1-for-2 reverse stock split, to be effective immediately after the stockholder-approved 1-for-6 reverse stock split is implemented. The reverse stock splits were effective on February 19, 2016. The two reverse stock splits have the combined effect of a 1-for-12 reverse stock split. At the effective time of the reverse stock splits, every 12 shares of issued and outstanding common stock were converted into one share of issued and outstanding common stock, and the authorized shares of common stock were reduced from 150,000,000 to 75,000,000 shares. The par value remains at $0.0001. All shares and related financial information in this Form 10-Q have been retroactively adjusted to reflect this 1-for-12 reverse stock split.

Convertible Preferred Stock

On March 11, 2015, we entered into a Stock Purchase Agreement (the "Purchase Agreement") with Penelope Mining LLC (the "Investor"), and, solely with respect to certain provisions of the Purchase Agreement, Minera del Norte, S.A. de C.V. (the "Lender"). The Purchase Agreement provides for the Company to issue and sell to the Investor shares of the Company's preferred stock in the amounts set forth in the following table (numbers have been adjusted for the February 2016 reverse stock split):

Convertible Preferred Stock	Shares	Price Per Share	Total Investment
Series AA-1	8,427,004	$12.00	$101,124,048
Series AA-2	7,223,145	$ 6.00	43,338,870
	15,650,149		$144,462,918

The Investor’s option to purchase the Series AA-2 shares is subject to the closing price of the Common Stock on the NASDAQ market having been greater than or equal to $15.12 per share for a period of twenty (20) consecutive business days on which the NASDAQ market is open.

The closing of the sale and issuance of shares of the Company’s preferred stock to the Investor is subject to certain conditions, including the Company’s receipt of required approvals from the Company’s stockholders, the receipt of regulatory approval, performance by the Company of its obligations under the Stock Purchase Agreement, the listing of the underlying common stock on the NASDAQ Stock Market and the Investor’s satisfaction, in its sole discretion, with the viability of certain undersea mining projects of the Company. This transaction received stockholders’ approval on June 9, 2015. Completion of the transaction requires amending the Company’s articles of incorporation to (a) effect a reverse stock split, which was done on February 19, 2016, (b) adjusting the Company’s authorized capitalization, which was also done on February 19, 2016, and (c) establishing a classified board of directors (collectively, the “Amendments”). The Amendments have been or will be set forth in certificates of amendment to the Company’s articles of incorporation filed or to be filed with the Nevada Secretary of State.

Series AA Convertible Preferred Stock Designation

The Purchase Agreement provides for the issuance of up to 8,427,004 shares of Series AA-1 Convertible Preferred Stock, par value $0.0001 per share (the “Series AA-1 Preferred”) and 7,223,145 shares of Series AA-2 Convertible Preferred Stock, par value $0.0001 per share (the “Series AA-2 Preferred”), subject to stockholder approval which was received on June 9, 2015 and satisfaction of other conditions. Significant terms and conditions of the Series AA Preferred are as follows:

Dividends . If and when the Company declares a dividend and any other distribution (including, without limitation, in cash, in capital stock (which shall include, without limitation, any options, warrants or other rights to acquire capital stock) of the Company, then the holders of each share of Series AA Preferred Stock are entitled to receive, a dividend or distribution in an amount equal to the amount of dividend or distribution received by the holders of common stock for which such share of Series AA Preferred Stock is convertible.

Liquidation Preference . The Liquidation Preference on each share of Series AA Preferred Stock is its Stated Value plus accretion at the rate of 8% per annum compounded on each December 31 from the date of issue of such share until the date such share is converted. For any accretion period which is less than a full year, the Liquidation Preference shall accrete in an amount to be computed on the basis of a 360-day year of twelve 30-day months and the actual number of days elapsed.

Voting Rights . The holders of Series AA Preferred will be entitled to one vote for each share of common stock into which the Series AA Preferred is convertible and will be entitled to notice of meetings of stockholders.

Conversion Rights . At any time after the Preferred Shares have been issued, any holder of shares of Series AA Preferred may convert any or all of the shares of preferred stock into one fully paid and non-assessable share of Common Stock.

Adjustments to Conversion Rights . If Odyssey pays a dividend or makes a distribution on its common stock in shares of common stock, subdivides its outstanding common stock into a greater number of shares, or combines its outstanding common stock into a smaller number of shares, or if there is a reorganization, or a merger or consolidation of Odyssey with or into any other entity which results in a conversion, exchange, or cancellation of the common stock, or a sale of all or substantially all of Odyssey’s assets, then the conversion rights described above will be adjusted appropriately so that each holder of Series AA Preferred will receive the securities or other consideration the holder would have received if the holder’s Series AA Preferred had been converted before the happening of the event. The conversion price in effect from time to time is also subject to downward adjustment if we issue or sell shares of common stock for a purchase price less than the conversion price or if we issue or sell shares convertible into or exercisable for shares of common stock with a conversion price or exercise price less than the conversion price for the Series AA Preferred.

Accounting considerations

As stated above, the issuance of the Series AA Convertible Preferred Stock is subject to certain contingencies. No accounting treatment determination is required until these contingencies are met and the Series AA Convertible Preferred Stock has been issued. However, we have analyzed the instrument to determine the proper accounting treatment that will be necessary once the instruments have been issued.

ASC 480 generally requires liability classification for financial instruments that are certain to be redeemed, represent obligations to purchase shares of stock or represent obligations to issue a variable number of common shares. We concluded that the Series AA Preferred was not within the scope of ASC 480 because none of the three conditions for liability classification was present.

ASC 815 generally requires the analysis of embedded terms and features that have characteristics of derivatives to be evaluated for bifurcation and separate accounting in instances where their economic risks and characteristics are not clearly and closely related to the risks of the host contract. However, in order to perform this analysis, we were first required to evaluate the economic risks and characteristics of the Series AA Convertible Preferred Stock in its entirety as being either akin to equity or akin to debt. Our evaluation concluded that the Series AA Convertible Preferred Stock was more akin to an equity-like contract largely due to the fact that most of its features were participatory in nature. As a result, we concluded that the embedded conversion feature is clearly and closely related to the host equity contract and will not require bifurcation and liability classification.

The option to purchase the Series AA-2 Convertible Preferred Stock was analyzed as a freestanding financial instruments and has terms and features of derivative financial instruments. However, in analyzing this instrument under applicable guidance it was determined that it is both (i) indexed to the Company's stock and (ii) meet the conditions for equity classification.

Warrants

In conjunction with the Restated Note Purchase Agreement related to Note 4 – Epsilon in NOTE H, we issued warrants tied to each of the three tranches of debt issued. A total of 120,000 warrants were granted. These warrants have an expiration date of October 1, 2021. All of these 120,000 warrants have an exercise price of $3.52. Each single warrant is exercisable to purchase one share of our common stock.

Stock-Based Compensation

We have two stock incentive plans. The first is the 2005 Stock Incentive Plan that expired in August 2015. After the expiration of this plan, equity instruments cannot be granted but this plan shall continue in effect until all outstanding awards have been exercised in full or are no longer exercisable and all equity instruments have vested or been forfeited.

On June 9, 2015, our shareholders approved our 2015 Stock Incentive Plan (the "Plan") that was adopted by our Board of Directors (the "Board") on January 2, 2015, which is the effective date. The plan expires on the tenth anniversary of the effective date. The Plan provides for the grant of incentive stock options, non-qualified stock options, restricted stock awards, restricted stock units and stock appreciation rights. This plan was initially capitalized with 450,000 shares that may be granted. The Plan is intended to comply with Section 162(m) of the Internal Revenue Code, which stipulates that the maximum aggregate number of Shares with respect to one or more Awards that may be granted to any one person during any calendar year shall be 83,333, and the maximum aggregate amount of cash that may be paid in cash to any person during any calendar year with respect to one or more Awards payable in cash shall be $2,000,000. The original maximum number of shares that were to be used for Incentive Stock Options ("ISO") under the Plan was 450,000. During our June 2016 stockholders meeting, the stockholders approved the addition of 200,000 incremental shares to the Plan. With respect to each grant of an ISO to a participant who is not a ten percent stockholder, the exercise price shall not be less than the fair market value of a share on the date the ISO is granted. With respect to each grant of an ISO to a participant who is a ten percent stockholder, the exercise price shall not be less than one hundred ten percent (110%) of the fair market value of a share on the date the ISO is granted. If an award is a non-qualified stock option ("NQSO"), the exercise price for each share shall be no less than (1) the minimum price required by applicable state law, or (2) the fair market value of a share on the date the NQSO is granted, whichever price is greatest. Any award intended to meet the performance based exception must be granted with an exercise price not less than the fair market value of a share determined as of the date of such grant.

Share-based compensation expense recognized during the period is based on the value of the portion of share-based payment awards that is ultimately expected to vest. As share-based compensation expense recognized in the statement of operations is based on awards ultimately expected to vest, it can be reduced for estimated forfeitures. The ASC topic Stock Compensation requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. The share based compensation charged against income for the three and six-month periods ended June 30, 2017 and 2016 was $208,497 and $357,872 and $416,993 and $692,501, respectively.

We did not grant employee stock options in the three-month periods ended June 30, 2017 and 2016. The weighted average fair value of stock options granted is determined using the Black-Scholes option-pricing model, which values options based on the stock price at the grant date, the expected life of the option, the estimated volatility of the stock, the expected dividend payments, and the risk-free interest rate over the life of the option. The Black-Scholes option valuation model was developed for estimating the fair value of traded options that have no vesting restrictions and are fully transferable. Because option valuation models require the use of subjective assumptions, changes in or variations from these assumptions can materially affect the fair value of the options.

NOTE J – CONCENTRATION OF CREDIT RISK

We maintain the majority of our cash at one financial institution. At June 30, 2017, our uninsured cash balance was approximately $1.2 million.

We do not currently have any debt obligations with variable interest rates.

NOTE K – DERIVATIVE FINANCIAL INSTRUMENTS

The following table summarizes the amounts that were reflected in our income related to our derivatives for the three and six months ended June 30, 2017 and June 30, 2016:

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Derivative income (expense):				
Unrealized gains (losses) from fair value changes:				
2014 Convertible Promissory Notes	—	$ —	—	$ 3,396,190
Warrant derivatives	—	61,051	—	2,335
	—	61,051	—	3,398,525
Redemptions of Senior Convertible Notes	—	—	—	—
Total derivative income (expense)	$ —	$ 61,051	$ —	$ 3,398,525

Current accounting principles that are provided in ASC 815— *Derivatives and Hedging* require derivative financial instruments to be classified in liabilities and carried at fair value with changes recorded in income. In addition, the standards do not permit an issuer to account separately for individual derivative terms and features embedded in hybrid financial instruments that require bifurcation and liability classification as derivative financial instruments. Rather, such terms and features must be bundled together and fair valued as a single, compound embedded derivative. We have selected the Monte Carlo Simulations valuation technique to fair value the compound embedded derivative because we believe that this technique is reflective of all significant assumption types, and ranges of assumption inputs, that market participants would likely consider in transactions involving compound embedded derivatives. Such assumptions include, among other inputs, interest risk assumptions, credit risk assumptions and redemption behaviors in addition to traditional inputs for option models such as market trading volatility and risk free rates. We have selected Binomial Lattice to fair value our warrant derivatives because we believe this technique is reflective of all significant assumption types market participants would likely consider in transactions involving freestanding warrants derivatives. The Monte Carlo Simulations ("MCS") technique is a level three valuation technique because it requires the development of significant internal assumptions in addition to observable market indicators.

Significant inputs and results arising from the Monte Carlo Simulations process are as follows for the share purchase options that have been bifurcated from our Monaco Notes and classified in liabilities as of March 8, 2016, (Modification Date):

Tranche 1 – August 14, 2014:	March 8, 2016***
Underlying price on valuation date*	$1.25
Contractual conversion rate	$3.15
Contractual term to maturity**	1.82 Years
Implied expected term to maturity	1.24 Years
Market volatility:	
Range of volatilities	96.0% - 154.0%
Equivalent volatilities	120.1%
Contractual interest rate	11.00%
Equivalent market risk adjusted interest rates	11.60%
Range of credit risk adjusted yields	3.49% - 5.02%
Equivalent credit risk adjusted yield	4.13%

Tranche 2 – October 1, 2014:	March 8, 2016***
Underlying price on valuation date*	$1.25
Contractual conversion rate	$3.15
Contractual term to maturity**	1.82 Years
Implied expected term to maturity	1.24 Years
Market volatility:	
Range of volatilities	96.0% - 154.0%
Equivalent volatilities	120.1%
Contractual interest rate	11.00%
Equivalent market risk adjusted interest rates	11.60%
Range of credit risk adjusted yields	3.49% - 5.02%
Equivalent credit risk adjusted yield	4.13%

Tranche 3 – December 1, 2014:	March 8, 2016***
Underlying price on valuation date*	$1.25
Contractual conversion rate	$3.15
Contractual term to maturity**	1.82 Years
Implied expected term to maturity	1.24 Years
Market volatility:	
Range of volatilities	96.0% - 154.0%
Equivalent volatilities	120.1%
Contractual interest rate	11.00%
Equivalent market risk adjusted interest rates	11.60%
Range of credit risk adjusted yields	3.49% - 5.02%
Equivalent credit risk adjusted yield	4.13%

* The instrument is convertible into shares of the Company's subsidiary, Oceanica, which is not a publicly-traded entity. Therefore, its shares do not trade on a public exchange. As a result, the underlying value was originally based on private sales of the subsidiary's shares because that was the best indicator of the value of the shares in the past. The last sale of Oceanica's shares in which a private investor accumulated 24% of the shares of which their last purchase price was for $2.50 per share in December 2013. Accordingly, the underlying price used in the past in the MCS calculations was the $2.50 for the inception dates and December 31, 2015. Being far removed from December 2013 while considering the modification in March 2016 of the new option price of $1.00 and other market conditions currently prevailing, management determined $1.25 to be representative of the per share fair value.

** On December 10, 2015, the term was extended to December 31, 2017.
In March 2016, the term was extended to April 1, 2018.

*** In March 2016, the purchase price of the share purchase options was modified to $1.00 per share. As a result of the re-pricing, the share purchase options became convertible into a fixed number of shares and no longer required measurement as derivative liabilities. The MCS were calculated for the instruments just prior to the modification on March 8, 2016.

The following table reflects the issuances of the Share Purchase Option derivatives and changes in fair value inputs and assumptions for these derivatives during the six months ended June 30, 2017 and 2016.

	For the six months ended June 30, 2017	For the six months ended June 30, 2016
Balances at January 1	$ —	$ 3,396,190
Issuances	—	—
Modification		(1,456,825)
Changes in fair value inputs and assumptions reflected in income	—	(1,939,365)
Balances at June 30	$ —	$ —

The fair value of all Share Purchase Option derivatives is significantly influenced by our trading market price, the price volatility in trading and the risk-free interest components of the Binomial Lattice technique.

On October 11, 2010, we also issued warrants to acquire 150,000 of our common shares in connection with the Series G Convertible Preferred Stock Financing. During April 4-8, 2011, we issued warrants to acquire 43,750 of our common shares in connection the Series G Convertible Preferred Stock and Warrant Settlement Transaction. Finally, on November 8, 2011, we issued warrants to acquire 108,507 of our common shares in connection with the Senior Convertible Note Financing Transaction. These warrants required liability classification as derivative financial instruments because certain down-round anti-dilution protection or price protection features included in the warrant agreements are not consistent with the concept of equity. We applied the Binomial Lattice valuation technique in estimating the fair value of the warrants because we believe that this technique is most appropriate and reflects all of the assumptions that market participants would likely consider in transactions involving the warrants, including the potential incremental value associated with the down-round anti-dilution protections.

The Binomial Lattice technique is a level three valuation technique because it requires the development of significant internal assumptions in addition to observable market indicators. Warrants linked to 143,750 shares of common stock associated with the Series G Convertible Preferred Stock Financing were exercised on October 11, 2013.

Of the 108,507 common shares for which the warrant issued on November 8, 2011 could be exercised, 36,169 of those common shares were accessible only based upon the Company's election to require the lender to provide the additional financing. When the lender provided additional financing of $8,000,000 on May 10, 2012, the additional 36,169 of common shares became accessible. Warrants indexed to an additional 21,701 were issued in conjunction with the additional financing.

All remaining warrants linked to 43,750 shares of common stock associated with the Series G Convertible Preferred Stock Financing expired unexercised on April 13, 2014 and are no longer outstanding.

All remaining warrants linked to 130,208 shares of common stock associated with the Senior Convertible Note Financing Transaction expired unexercised on April 13, 2014 and are no longer outstanding.

The following table reflects the issuances of derivative warrants and changes in fair value related to the derivative warrants during the six months ended June 30, 2017 and 2016.

	Six months ended June 30, 2017	2016
Balances at January 1	$ —	$ 6,226
Changes in fair value inputs and assumptions reflected in income	—	(2,335)
Balances at June 30	$ —	$ 3,891

The fair value of all warrant derivatives is significantly influenced by our trading market price, the price volatility in trading and the risk-free interest components of the Binomial Lattice technique.

NOTE L – REVENUE PARTICIPATION RIGHTS

The Company's participating revenue rights consisted of the following at:

	June 30, 2017	**December 31, 2016**
" *Cambridge* " project	$ 825,000	$ 825,000
" *Seattle* " project	62,500	62,500
Galt Resources, LLC (HMS *Victory* project)	3,756,250	3,756,250
Total revenue participation rights	$4,643,750	$ 4,643,750

" *Cambridge* " project

We previously sold Revenue Participation Certificates ("RPCs") that represent the right to share in our future revenues derived from the " *Cambridge* " project, which is also referred to as the HMS *Sussex* shipwreck project. The " *Cambridge"* RPC units constitute restricted securities.

Each $50,000 convertible " *Cambridge"* RPC entitles the holder to receive a percentage of the gross revenue received by us from the " *Cambridge* " project, which is defined as all cash proceeds payable to us as a result of the " *Cambridge* " project, less any amounts paid to the British Government or their designee(s); provided, however, that all funds received by us to finance the project are excluded from gross revenue. The " *Cambridge* " project holders are entitled to 100% of the first $825,000 of gross revenue, 24.75% of gross revenue from $4 - 35 million, and 12.375% of gross revenue above $35 million generated by the project.

“ *Seattle* ” project

In a private placement that closed in September 2000, we sold “units” consisting of “ *Republic”* Revenue Participation Certificates and Common Stock. Each $50,000 “unit” entitled the holder to 1% of the gross revenue generated by the now named “ *Seattle* ” project (formerly referred to as the “ *Republic* ” project), and 100,000 shares of Common Stock. Gross revenue is defined as all cash proceeds payable to us as a result of the “ *Seattle* ” project, excluding funds received by us to finance the project.

The participating rights balance will be amortized under the units of revenue method once management can reasonably estimate potential revenue for each of these projects. The RPCs for the “ *Cambridge* ” and “ *Seattle”* projects do not have a termination date, therefore these liabilities will be carried on the books until revenue is recognized from these projects or we permanently abandon either project.

Galt Resources, LLC

In February 2011, we entered into a project syndication deal with Galt Resources LLC (“Galt”) for which they invested $7,512,500 representing rights to future revenues of any one project Galt selected prior to December 31, 2011. If the project is successful and generates sufficient proceeds, Galt will recoup their investment plus three times the investment. Galt’s investment return will be paid out of project proceeds. Galt will receive 50% of project proceeds until this amount is recouped. Thereafter, they will share in additional net proceeds of the project at the rate of 1% for every million invested. Subsequent to the original syndication deal, we reached an agreement permitting Galt to bifurcate their selection between two projects, the SS *Gairsoppa* and HMS *Victory* with the residual 1% on additional net proceeds assigned to the HMS *Victory* project only. The bifurcation resulted in $3,756,250 being allocated to each of the two projects. Therefore, Galt will receive 7.5125% of net proceeds from the HMS *Victory* project after they recoup their investment of $3,756,250 plus three times the investment. Galt has been paid in full for their share of the *Gairsoppa* project investment. There are no future payments remaining due to Galt for the *Gairsoppa* project. Based on the timing of the proceeds earmarked for Galt, the relative corresponding amount of Galt’s revenue participation right of $3,756,250 was amortized into revenue in 2012 based upon the percent of Galt-related proceeds from the sale of silver as a percentage of total proceeds that Galt earned under the revenue participation agreement ($15.0 million). There is no expiration date on the Galt deal for the HMS Victory project. If the archaeological excavation of the shipwreck is performed and insufficient proceeds are obtained, then the deferred income balance will be recognized as other income. If the archaeological excavation of the shipwreck is performed and sufficient proceeds are obtained, then the deferred income balance will be recognized as revenue.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion will assist in the understanding of our financial condition and results of operations. The information below should be read in conjunction with the financial statements, the related notes to the financial statements and our Annual Report on Form 10-K for the year ended December 31, 2016.

In addition to historical information, this discussion contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 regarding the Company's expectations concerning its future operations, earnings and prospects. On the date the forward-looking statements are made, the statements represent the Company's expectations, but the expectations concerning its future operations, earnings and prospects may change. The Company's expectations involve risks and uncertainties and are based on many assumptions that the Company believes to be reasonable, but such assumptions may ultimately prove to be inaccurate or incomplete, in whole or in part. Accordingly, there can be no assurances that the Company's expectations and the forward-looking statements will be correct. Please refer to the Company's most recent Annual Report on Form 10-K for a description of risk factors that could cause actual results to differ from the expectations stated in this discussion. Odyssey disclaims any obligation to update any of these forward-looking statements except as required by law.

Operational Update

Additional information regarding our announced projects can be found in our Annual Report on Form 10-K for the year ended December 31, 2016. Only projects material in nature or have material status updates are discussed below. We may have other projects in various stages of planning or execution that may not be disclosed for security or legal reasons until considered appropriate by management.

We have numerous marine projects in various stages of development around the world for ourselves and for external clients. In order to protect the targets of our planned survey, search or recovery operations, we may defer disclosing specific information relating to our projects until we have located a shipwreck, mineral deposits or other potentially valuable sources of interest and determined a course of action to protect our property rights and those of our clients. With respect to mineral deposits, SEC Industry Guide 7 outlines the Commission's basic mining disclosure policy and what information may be disclosed in public filings. With respect to shipwrecks, the identity of the ship may be indeterminable and the nature and amount of cargo may be uncertain, thus before completing any recovery, specific information about the project may be unavailable. If work is conducted on behalf of a client, release of information may be limited by the client.

We own specialized marine services survey and recovery equipment that we mobilize for customers on leased vessels. This proprietary equipment is operated by our technical team when conducting operations worldwide. This allowed us to launch the CLIO Offshore services program, increasing the utilization and leverage of the technical team and assets between our projects. CLIO Offshore is focused on third-party survey, remotely operated vehicle (ROV) and recovery projects down to 6,000 meters in depth. This program also offers services for deep-ocean resource explorations, ship and airplane wreck explorations, archaeological recovery and conservation and insurance documentation.

Subsea Mineral Mining Exploration Projects

Oceanica Resources, S. de R.L.

In February 2013, we disclosed Odyssey's ownership interest, through Odyssey Marine Enterprises, Ltd., a wholly owned Bahamian company ("Enterprises"), in Oceanica Resources, S. de R.L., a Panamanian company ("Oceanica"), and Exploraciones Oceanicas, S. De R.L. De C.V. ("ExO"), a subsidiary of Oceanica. ExO is in the business of mineral exploration and controls exclusive permits in an area in Mexican waters that contains a large amount of phosphate mineralized material (known as the "Don Diego" deposit). Phosphate is a key ingredient of fertilizers. In March 2014, Odyssey completed a first NI 43-101 compliant report on the deposit and periodically updates this report. The Don Diego deposit is currently our main mineral project and is important to Odyssey's future. Odyssey believes that the Don Diego deposit contains a large amount of high-grade phosphate rock that can be extracted on a financially attractive basis and that the product will be attractive to Mexican and other world producers of fertilizers.

ExO has conducted extensive scientific testing of the mineralized phosphate material and of the environmental impact of recovering the mineralized material from the seafloor. Oceanica has been working with leading environmental experts on the impact assessment and permitting process, with Royal Boskalis on the extraction and processing program, and with JPMorgan and the AHMSA group of companies on the strategic growth alternatives.

ExO applied for and was granted additional mining concession areas by the Mexican government. These additional areas are adjacent to the zones with the highest concentration of mineralization in the original mining concession area. ExO also relinquished certain parts of the granted concession areas where the mineral concentration levels were less attractive for mining purposes.

In September 2014, ExO reported that the Environmental Impact Assessment ("EIA") for proposed dredging and recovery of phosphate sands from the Don Diego deposit had been filed with the Mexican Secretary of Environment and Natural Resources (SEMARNAT). This EIA application is needed in order to obtain an environmental permit to begin the commercial extraction of phosphate from the tenement area. In November 2014, SEMARNAT held a public hearing on the EIA in Mexico and asked supplemental questions to Oceanica on its EIA application. In full compliance with the SEMARNAT process, a response to the questions was filed in March 2015. In addition to providing supplemental scientific information and studies, the response included additional mitigation and economic considerations to reinforce ExO's commitment to being good corporate citizens and stewards of the environment. In June 2015, ExO withdrew its Environmental Impact Assessment (EIA) application to allow additional time for review and regional briefings. The EIA was re-submitted in June 2015, and additional information was filed in August 2015. A public hearing on this application was conducted by SEMARNAT on October 8, 2015, additional questions were received from SEMARNAT in November 2015, and ExO's responses to the questions were filed with SEMARNAT on December 3, 2015. On April 8, 2016, SEMARNAT denied the application for this environmental license as presented. Odyssey's subsidiaries and partners have been managing the administrative, legal and political process necessary to review and overturn the April decision. The judicial process is expected to conclude in 2017. To move to the next phase of development of the deposit, Odyssey and its subsidiaries need the approval of this environmental permit application.

Enterprises initially held 77.6 million of Oceanica's 100.0 million outstanding shares. Subsequently, Enterprises sold and transferred to Mako Resources, LLC ("Mako") 15.0 million shares for a purchase price of $1.00 per share, or $15.0 million, and granted Mako options to purchase an additional 15.0 million shares at the purchase price of $2.50 per share before December 31, 2013.

In June 2013, Mako agreed to exercise a portion of these options to purchase 8.0 million shares at a reduced exercise price of $1.25 per share. As part of Odyssey's strategy to maintain a control position in Oceanica, in parallel with the early exercise, Enterprise purchased 1.0 million shares of Oceanica from another Oceanica shareholder at $1.25 per share. This transaction also granted Odyssey voting rights on an additional 3.0 million shares of Oceanica held by such other Oceanica shareholder so long as there is no change in control of Odyssey.

An option to purchase an additional 1.0 million shares was exercised by Mako on December 30, 2013 for a total amount of $2.5 million. The options on the remaining 6.0 million shares were extended in 2014 and 2015. On March 11, 2015, these options were terminated in exchange for the issuance of 4.0 million shares of our common stock to Mako. This termination was a requirement of the March 11, 2015 financing deal. In August 2014, we entered into a loan agreement with Monaco Financial, LLC, a marketing partner. Under terms of that agreement, Monaco may convert all or part of the loan balance into Oceanica shares held by us or to purchase Oceanica shares from us at a pre-defined price (See NOTE I). This loan was amended on December 10, 2015, extending the maturity date of the loan to December 31, 2017 and allowing Monaco to retain the call option on the $10 million worth of Oceanica shares held by Odyssey until December 31, 2017. In March 2015, Odyssey entered into a loan arrangement with Minera del Norte, S.A. de C.V. ("MINOSA") whereby Odyssey pledged all of its shares in Oceanica as collateral for a $14.75 million loan from MINOSA. The MINOSA loan has been amended several times and now matures March 18, 2017, see NOTE H for further information.

Shipwreck Exploration Projects

Other Projects

Odyssey began conducting offshore services under contract for Magellan Offshore Services in 2016. In the second quarter, the Odyssey offshore team successfully completed the first phase of a major shipwreck project that included search and inspection of multiple valuable targets and the recovery of samples of valuable cargo. Planning is currently underway for the recovery phase of this project. Procurement of specialized equipment for the recovery project has been initiated, and operations will commence upon delivery and the completion of testing of this new technology. The master services agreement governing these projects states Odyssey will be paid cost plus a specified mark-up and Odyssey will receive 21.25% of net returns, if any, from these projects.

Critical Accounting Policies and Changes to Accounting Policies

There have been no material changes in our critical accounting estimates since December 31, 2016, nor have we adopted any accounting policy that has or will have a material impact on our consolidated financial statements.

Results of Operations

The dollar values discussed in the following tables, except as otherwise indicated, are approximations to the nearest $1,000,000 and therefore do not necessarily sum in columns or rows. For more detail refer to the Financial Statements in Part I, Item 1.

Three-months ended June 30, 2017, compared to three-months ended June 30, 2016

Increase/(Decrease) (Dollars in millions)	2017	2016	2017 vs. 2016 $	2017 vs. 2016 %
Total revenues	$ 0.6	$ 1.2	$(0.6)	52%
Marketing, general and administrative	1.7	1.9	(0.2)	10%
Operations and research	0.9	1.3	(0.4)	30%
Total operating expenses	$ 2.7	$ 3.2	$(0.6)	18%
Other income (expense)	$(0.6)	$(0.5)	$(0.1)	22%
Income tax benefit (provision)	$—	$—	$—	— %
Non-controlling interest	$ 0.8	$ 0.7	$ 0.1	16%
Net income (loss)	$(1.9)	$(1.9)	$(0.1)	3%

Revenue

Revenue is primarily generated through the sale of marine services either through expedition charters or for the services from our crew and equipment.

Total revenue in the current quarter was $0.6 million, a $0.6 million decrease over the revenue in the same period a year ago and was derived from the performance of expedition marine survey and recovery services to Magellan, whom we consider a related party. The $1.2 million revenue in the same quarter last year was generated from providing equipment and personnel to an offshore operator under a survey expedition services agreement.

Operating Expenses

We did not have any cost of sales in either period due to not having any remaining inventory. All of our inventory items held for re-sale were sold in the course of 2015 and we thus have no similar inventory items or costs of sales remaining.

Marketing, general and administrative expenses primarily include all costs within the following departments: Executive, Finance & Accounting, Legal, Information Technology, Human Resources, Marketing & Communications, Sales and Business Development. Marketing, general and administrative expenses decreased by $0.2 million from $1.9 million in 2016 to $1.7 million in 2017 primarily as a result of (i) a reduction of $0.4 million of personnel compensation and related expenses including share-based compensation of $0.2 million and (ii) $0.1 million decrease in corporate supportive overhead. This decrease was partially offset by (i) a $0.2 million increase in legal fees related to marine cargo securitization and (ii) a $0.1 million increase in financing fees.

Operations and research expenses primarily include all costs within Archaeology, Conservation, Exhibits, Research, and Marine operations, which include all vessel and charter operations. Operations and research expenses decreased by $0.4 million from 2016 to 2017 as a result of a $0.1 million reduction of marine services costs which include technical crew costs as well as other marine operational costs such as fuel, port fees and consumables, an increase in the gain of sale of marine equipment of $0.2 million and a reduction of $0.1 million of fixed asset costs related to depreciation and insurance. 2016 included the full-time operations of our former vessel, the *Odyssey Explorer* , which was sold in mid-2016.

Other Income and Expense

Other income and expense has generally consisted of interest expense on our bank term and other mortgage loans and convertible notes as well as the fair value change of derivatives carried on the balance sheet. Previous derivatives related to our issuance of certain convertible warrants and notes. Total other income and expense increased from an expense of $0.5 million in 2016 to an expense of $0.6 million in 2017, an increase of $0.1 million. This $0.1 million is primarily the result of the accelerated accretion of the beneficial conversion feature that bifurcated from the Monaco Note 2 debt, see NOTE H, that we were relieved of when we sold our marine vessel during this three-month period ended June 30, 2017.

Taxes and Non-Controlling Interest

Due to losses, we did not accrue any taxes in either period ending 2017 or 2016.

Starting in 2013, we became the controlling shareholder of Oceanica. Our financial statements thus include the financial results of Oceanica. Except for intercompany transactions that are fully eliminated upon consolidation, Oceanica's revenues and expenses, in their entirety, are shown in our consolidated financial statements. The share of Oceanica's net losses corresponding to the equity of Oceanica not owned by us is subsequently shown as the "Non-Controlling Interest" in the consolidated statements of operations. The non-controlling interest adjustment in the second quarter of 2017 was $0.8 million as compared to $0.7 million in the second quarter of 2016. This increase is mainly attributable to the compounding debt interest on our Mexican subsidiary's balance sheet.

Six-months ended June 30, 2017, compared to six-months ended June 30, 2016

Increase/(Decrease) (Dollars in millions)	2017	2016	2017 vs. 2016 $	2017 vs. 2016 %
Total revenues	$ 1.2	$ 1.8	$(0.6)	31%
Marketing, general and administrative	3.4	4.3	(0.9)	22%
Operations and research	2.2	3.5	(1.3)	37%
Total operating expenses	$ 5.6	$ 7.8	$(2.2)	29%
Other income (expense)	$(1.3)	$ 2.8	$(4.2)	146%
Income tax benefit (provision)	$—	$—	$ 0.0	0%
Non-controlling interest	$ 1.5	$ 1.4	$ 0.2	12%
Net income (loss)	$(4.1)	$(1.8)	$(2.3)	132%

Revenue

Total revenues decreased by $0.6 million in the first six months of 2017 as compared to the same period in 2016. Marine survey services contracts were executed in each period but the 2016 contract was for a longer extended period of time.

Operating Expenses

We did not have any cost of sales in either period due to not having any remaining inventory. All of our inventory items held for re-sale were sold in the course of 2015 and we thus have no similar inventory items or costs of sales remaining.

Marketing, general and administrative expenses decreased from $4.3 million in 2016 to $3.4 million in 2017. This variance of $0.9 million is primarily due to (i) $0.8 million in personnel related reductions in regular, incentive and sharebased compensation and (ii) $0.1 million reduction in general corporate overhead supportive expenses.

For the first six months of 2017, Operations and research expenses were $2.2 million compared to $3.5 million for the same period in 2016. The variance of $1.3 million is primarily due to (i) $0.8 million in reduced marine services costs which is comprised of items such as crewing fees of $0.5 million, professional and management fees of $0.2 million and general vessel costs of $0.1 million which includes items such as spares, port fees and consumables, (ii) an increase in the gain on sale of marine assets of $0.2 million, (iii) a decrease of $0.2 million of asset costs which include depreciation and insurance and (iv) a decrease of $0.1 million in shore based marine support services. 2016 included the full-time operations of our former vessel, the *Odyssey Explorer* , which was sold in mid-2016.

Other Income and Expense

Other income and expense decreased from an income of $2.8 million in 2016 to an expense of $1.3 million 2017, a decrease of $4.2 million which primarily resulted from (i) 2016 included $3.4 million of fair value derivative income from accounting mainly related to the Monaco loans which is not in 2017, (ii) 2016 included $0.4 of income previously disclosed at the MINOSA Call Option which is not in 2017 and (iii) an increase of $.04 million of interest expense due to accretion of a beneficial conversion feature bifurcated from the Epsilon and Monaco notes and an increase in Epsilon debt principal. See NOTE H for related debt details.

Taxes and Non-Controlling Interest

We did not accrue any taxes in the second quarter of either 2017 or 2016.

Starting in 2013, we became the controlling shareholder of Oceanica. Our financial statements thus include the financial results of Oceanica and its subsidiary. Except for intercompany transactions that are eliminated upon consolidation, Oceanica's revenues and expenses, in their entirety, are shown in our consolidated financial statements. The share of Oceanica's net losses corresponding to the equity of Oceanica not owned by us is subsequently shown as the "Non-Controlling Interest" in the consolidated statements of operations. The non-controlling interest adjustment in the first six months of 2017 was $1.5 million as compared to $1.4 million during the first half of 2016. The administrative support has been steady and fluent supporting the legal process in obtaining the environmental application for our Mexican subsidiary.

Liquidity and Capital Resources

	Six-Months Ended	
(In thousands)	**June 2017**	**June 2016**
Summary of Cash Flows:		
Net cash used by operating activities	$ (2,955)	$ (5,298)
Net cash provided by investing activities	50	141
Net cash provided by financing activities	2,719	4,748
Net (decrease) increase in cash and cash equivalents	$ (186)	$ (409)
Beginning cash and cash equivalents	1,663	2,241
Ending cash and cash equivalents	$ 1,477	$ 1,832

Discussion of Cash Flows

Net cash used by operating activities for the first six months of 2017 was $3.0 million, or an improvement of $2.3 million compared to the same period in 2016. This net cash used by operating activities reflects a net loss before non-controlling interest of $(5.7) million offset in part by non-cash items of $1.1 million which primarily include depreciation and amortization of $0.4 million, share-based compensation $0.4 million, debt interest accretion of $0.2 million, accrued interest converted to common stock of $0.3 million and a gain on sale of marine assets of $(0.3) million. Other operating activity changes resulted in an increase in working capital of $1.3 million. This primarily included changes to accounts receivable in 2017 of $1.0 million.

Cash flows used for investing activities for the first six months of 2017 were $0.1 million compared to ($0.1) million for the same period in 2016. Both periods included cash from the sale of marine assets.

Cash flows provided by financing activities for the first six months of 2017 were $2.7 million. During this period, we borrowed $3.0 million from SMOM (see NOTE H). This cash inflow was partially offset by repayment of debt obligations $0.3 million. Cash flows provided by financing activities for the same period of 2016 were $4.8 million. During this period, we borrowed $3.0 million from Epsilon and $1.8 million from Monaco (see NOTE H). This cash inflow was partially offset by repayment of debt obligations.

Other Cash Flow and Equity Areas

General Discussion

At June 30, 2017, we had cash and cash equivalents of $1.5 million, a decrease of $0.2 million from the December 31, 2016 balance of $1.7 million. This decrease was mainly the net result of cashflows associated with the year-to-date operating loss that is partially offset by the new loan of $3.0 million from SMOM (see NOTE H).

Financial debt of the company, excluding the derivative component of such debt, decreased by $0.7 million in the first six months of 2017, from a balance of $25.1 million at December 31, 2016 to a balance of $24.4 million at June 30, 2017. This due to Epsilon converting $3.0 million into common stock, Monaco relieving us of $0.7 million from the sale of a marine vessel and entering into a new $3.0 million loan agreement with SMOM (see NOTE H).

Financings

Stock Purchase Agreement

On March 11, 2015, we entered into a Stock Purchase Agreement (the "Purchase Agreement") with Penelope Mining LLC (the "Investor"), and, solely with respect to certain provisions of the Purchase Agreement, Minera del Norte, S.A. de C.V. (the "MINOSA"). The Purchase Agreement provides for us to issue and sell to the Investor shares of the our preferred stock in the amounts and at the prices set forth below (the numbers set forth below have been adjusted to reflect the 1-for-12 reverse stock split of February 19, 2016):

Series	No. of Shares	Price per Share
Series AA-1	8,427,004	$ 12.00
Series AA-2	7,223,142	$ 6.00

The closing of the sale and issuance of shares of the Company's preferred stock to the Investor is subject to certain conditions, including the Company's receipt of required approvals from the Company's stockholders (received on June 9, 2015), the receipt of regulatory approval, performance by the Company of its obligations under the Purchase Agreement, receipt of certain third party consents, the listing of the underlying common stock on the NASDAQ Stock Market and the Investor's satisfaction, in its sole discretion, with the viability of certain undersea mining projects of the Company. Completion of the transaction requires amending the Company's articles of incorporation to (a) effect a reverse stock split, which was done on February 19, 2016, (b) adjusting the Company's authorized capitalization, which was also done on February 19, 2016, and (c) establishing a classified board of directors (collectively, the "Amendments"). The Amendments have been or will be set forth in certificates of amendment to the Company's articles of incorporation filed or to be filed with the Nevada Secretary of State.

The purchase and sale of 2,916,667 shares of Series AA-1 Preferred Stock at an initial closing and for the purchase and sale of the remaining 5,510,337 shares of Series AA-1 Preferred Stock according to the following schedule, is subject to the satisfaction or waiver of specified conditions set forth in the Purchase Agreement:

Date	No. Series AA-1 Shares	Total Purchase Price
March 1, 2016	1,806,989	$ 21,683,868
September 1, 2016	1,806,989	$ 21,683,868
March 1, 2017	1,517,871	$ 18,214,446
March 1, 2018	378,488	$ 4,541,856

The Investor may elect to purchase all or a portion of the Series AA-1 Preferred Stock before the other dates set forth above. The initial closing and the closing scheduled for March 1, 2016, have not yet occurred because certain conditions to closing have not yet been satisfied or waived. After completing the purchase of all AA-1 Preferred Stock, the Investor has the right, but not the obligation, to purchase all or a portion the 7,223,145 shares of Series AA-2 Preferred Stock at any time after the closing price of the Common Stock on the NASDAQ Stock Market has been $15.12 or more for 20 consecutive trading days. The Investor's right to purchase the shares of Series AA-2 Preferred Stock will terminate on the fifth anniversary of the initial closing under the Purchase Agreement.

The Purchase Agreement contains certain restrictions, subject to certain exceptions described below, on the Company's ability to initiate, solicit or knowingly encourage or facilitate an alternative acquisition proposal, to participate in any discussions or negotiations regarding an alternative acquisition proposal, or to enter into any acquisition agreement, merger agreement or similar definitive agreement, or any letter of intent, memorandum of understanding or agreement in principle, or any other agreement relating to an alternative acquisition proposal. These restrictions will continue until the earlier to occur of the termination of the Purchase Agreement pursuant to its terms and the time at which the initial closing occurs.

The Purchase Agreement also includes customary termination rights for both the Company and the Investor and provides that, in connection with the termination of the Purchase Agreement under specified circumstances, including in the event of a termination by the Company in order to accept a Superior Proposal, the Company will be required to pay to the Investor a termination fee of $4.0 million.

The Purchase Agreement contains representations, warranties and covenants of the parties customary for a transaction of this type.

Subject to the terms set forth in the Purchase Agreement, the Lender provided the Company, through a subsidiary of the Company, with loans of $14.75 million, the outstanding amount of which, plus accrued interest, will be repaid from the proceeds from the sale of the shares of Series AA-1 Preferred Stock at the initial closing. The outstanding principal balance of the loan at June 30, 2017 was $14.75 million.

The obligation to repay the loans is evidenced by a promissory note (the "Note") in the amount of up to $14.75 million and bears interest at the rate of 8.0% per annum, and, pursuant to a pledge agreement (the "Pledge Agreement") between the Lender and Odyssey Marine Enterprises Ltd., an indirect, wholly owned subsidiary of the Company ("OME"), is secured by a pledge of 54.0 million shares of Oceanica Resources S. de R.L., a Panamanian limitada ("Oceanica"), held by OME. In addition, OME and the Lender entered into a call option agreement (the "Oceanica Call"), pursuant to which OME granted the Lender an option to purchase the 54.0 million shares of Oceanica held by OME for an exercise price of $40.0 million at any time during the one-year period after the Oceanica Call was executed and delivered by the parties. The Oceanica Call option expired on March 11, 2016 without being executed or extended. On December 15, 2015, the Promissory Note was amended to provide that, unless otherwise converted as provided in the Note, the adjusted principal balance shall be due and payable in full upon written demand by MINOSA; provided that MINOSA agrees that it shall not demand payment of the adjusted principal balance earlier than the first to occur of: (i) 30 days after the date on which (x) SEMARNAT makes a determination with respect to the current application for the Manifestacion de Impacto Ambiental relating to the Don Diego Project, which determination is other than an approval or (y) Enterprises or any of its affiliates withdraws such application without MINOSA's prior written consent; (ii) termination by Odyssey of the Stock Purchase Agreement, dated March 11, 2015 (the "Purchase Agreement"), among Odyssey, MINOSA, and Penelope Mining, LLC (the "Investor"); (iii) the occurrence of an event of default under the Promissory Note; (iv) March 30, 2016; or (v) if and only if the Investor shall have terminated the Purchase Agreement pursuant to Section 8.1(d)(iii) thereof, March 30, 2016. On March 18, 2016 the agreements with MINOSA and Penelope were further amended and extended the maturity date of the loan to March 18, 2017(see NOTE H).

On March 18, 2016, Odyssey entered into a $3.0 million Note Purchase Agreement with Epsilon Acquisitions LLC (see below and NOTE H). Epsilon is an investment vehicle of Mr. Alonso Ancira who is Chairman of the Board of AHMSA, an entity that controls MINOSA.

Class AA Convertible Preferred Stock

Pursuant to a certificate of designation (the "Designation") to be filed with the Nevada Secretary of State, each share of Series AA-1 Convertible Preferred Stock and Series AA-2 Convertible Preferred Stock (collectively, the "Class AA Preferred Stock") will be convertible into one share of Common Stock at any time and from time to time at the election of the holder. Each share of Class AA Preferred Stock will rank pari passu with all other shares of Class AA Preferred Stock and senior to shares of Common Stock and all other classes and series of junior stock. If the Company declares a dividend or makes a distribution to the holders of Common Stock, the holders of the Class AA Preferred Stock will be entitled to participate in the dividend or distribution on an as-converted basis. Each share of Class AA Preferred Stock shall entitle the holder thereof to vote, in person or by proxy, at any special or annual meeting of stockholders, on all matters voted on by holders of Common Stock, voting together as a single class with other shares entitled to vote thereon. So long as a majority of the shares of the Class AA Preferred Stock are outstanding, the Company will be prohibited from taking specified extraordinary actions without the approval of the holders of a majority of the outstanding shares of Class AA Preferred Stock. In the event of the liquidation of the Company, each holder of shares of Class AA Preferred Stock then outstanding shall be entitled to be paid, out of the assets of the Corporation available for distribution to its stockholders, an amount in cash equal to the greater of (a) the amount paid to the Company for such holder's shares of Class AA Preferred Stock, plus an accretion thereon of 8.0% per annum, compounded annually, and (b) the amount such holder would be entitled to receive had such holder converted such shares of Class AA Preferred into Common Stock immediately prior to such time at which payment will be made or any assets distributed.

Stockholder Agreement

The Purchase Agreement provides that, at the initial closing, the Company and the Investor will enter into a stockholder agreement (the "Stockholder Agreement"). The Stockholder Agreement will provide that (a) in connection with each meeting of the Company's stockholders at which directors are to be elected, the Company will (i) nominate for election as members of the Company's board of directors a number of individuals designated by the Investor ("Investor Designees") equivalent to the Investor's proportionate ownership of the Company's voting securities (rounded up to the next highest integer) less the number of Investor Designees who are members of the board of directors and not subject to election at such meeting, and (ii) use its reasonable best efforts to cause such nominees to be elected to the board of directors; (b) the Company will cause one of the Investor Designees to serve as a member of (or at such Investor Designee's election, as an observer to) each committee of the Company's board of directors; and (c) each Investor Designee shall have the right to enter into an indemnification agreement with the Company (an "Indemnification Agreement") pursuant to which such Investor Designee is indemnified by the Company to the fullest extent allowed by Nevada law if, by reason of his or her serving as a director of the Company, such Investor Designee is a party or is threatened to be made a party to any proceeding or by reason of anything done or not done by such Investor Designee in his or her capacity as a director of the Company.

The Stockholder Agreement will provide the Investor with pre-emptive rights with respect to certain equity offerings of the Company and restricts the Company from selling equity securities until the Investor has purchased all the Class AA Preferred Stock or no longer has the right or obligation to purchase any of the Class AA Preferred Stock. The Stockholder Agreement will also provide the Investor with certain "first look" rights with respect to certain mineral deposits discovered by the Company or its subsidiaries. Pursuant to the Stockholder Agreement, the Company will grant the Investor certain demand and piggy-back registration rights, including for shelf registrations, with respect to the resale of the shares of Common Stock issuable upon conversion of the Class AA Preferred Stock.

Other loans

Promissory Note

On August 14, 2014, we entered into a Loan Agreement with Monaco Financial, LLC ("Monaco"), a strategic marketing partner, pursuant to which Monaco agreed to lend us up to $10.0 million. The loan was issued in three tranches: (i) $5.0 million (the "First Tranche") was advanced upon execution of the Loan Agreement; (ii) $2.5 million (the "Second Tranche") was issued on October 1, 2014; and (iii) $2.5 million (the "Third Tranche") was issued on December 1, 2014. The Notes bear an interest rate of 11%. The Notes also contain an option whereby Monaco can purchase shares of Oceanica held by Odyssey (the "Share Purchase Option") at a purchase price which is the lower of (a) $3.15 per share or (b) the price per share of a contemplated equity offering of Oceanica which totals $1.0 million or more in the aggregate. The share purchase option was not clearly and closely related to the host debt agreement and required bifurcation.

On December 10, 2015, these promissory notes were amended as part of the asset acquisition agreement with Monaco. The amendment included the following material changes: (i) $2.2 million of the indebtedness represented by the Notes was extinguished, (ii) $5.0 million of the indebtedness represented by the Notes ceased to bear interest and is only repayable under certain circumstances from certain sources of cash, and (iii) the maturity date on the Notes was extended to December 31, 2017. During March 2016, the maturity date was amended to April 1, 2018 and the purchase price of the Share Purchase Option was re-priced to $1.00 per share. See "Loan Modification (March 2016)" in NOTE H. The outstanding interest-bearing balance of these Notes was $2.8 million at June 30, 2017 and December 31, 2016, respectively.

Promissory Note

On March 18, 2016 we entered into a Note Purchase Agreement ("Purchase Agreement") with Epsilon Acquisitions LLC ("Epsilon"). Pursuant to the Purchase Agreement, Epsilon loaned us $3.0 million in two installments of $1.5 million on March 31, 2016 and April 30, 2016. The indebtedness bears interest at a rate of 10% per annum and is due on March 18, 2017. We were also responsible for $50,000 of the lender's out of pocket costs. This amount is included in the loan balance. In pledge agreements related to the loans, we granted security interests to Epsilon in (a) the 54 million cuotas (a unit of ownership under Panamanian law) of Oceanica Resources S. de R.L. ("Oceanica") held by our wholly owned subsidiary, Odyssey Marine Enterprises, Ltd. ("OME"), (b) all notes and other receivables from Oceanica and its subsidiary owed to the Odyssey Pledgors, and (c) all of the outstanding equity in OME. Epsilon has the right to convert the outstanding indebtedness into shares of our common stock upon 75 days' notice to us or upon a merger, consolidation, third party tender offer, or similar transaction relating to us at the conversion price of $5.00 per share, which represents the five-day volume-weighted average price of Odyssey's common stock for the five trading day period ending on March 17, 2016. On January 25, 2017, Epsilon provided notice to us that it will convert the initial $3.0 million plus accrued interest per the Restated Note Purchase Agreement at $5.00 per share in accordance with the terms of the agreement. The conversion and issuance of these new shares is effective April 10, 2017 and includes accrued interest of $302,274 for a total 670,455 shares. Upon the occurrence and during the continuance of an event of default, the conversion price will be reduced to $2.50 per share. Following any conversion of the indebtedness, Penelope Mining LLC (an affiliate of Epsilon) ("Penelope"), may elect to reduce its commitment to purchase preferred stock of Odyssey under the Stock Purchase Agreement, dated as of March 11, 2015 (as amended, the "Stock Purchase Agreement"), among Odyssey, Penelope, and Minera del Norte, S.A. de C.V. ("MINOSA") by the amount of indebtedness converted.

Pursuant to the Purchase Agreement (a) we agreed to waive our rights to terminate the Stock Purchase Agreement in accordance with the terms thereof until December 31, 2016, and (b) MINOSA agreed to extend, until March 18, 2017, the maturity date of the $14.75 million loan extended by MINOSA to OME pursuant to the Stock Purchase Agreement. The indebtedness may be accelerated upon the occurrence of specified events of default including (a) OME's failure to pay any amount payable on the date due and payable; (b) OME or we fail to perform or observe any term, covenant, or agreement in the Purchase Agreement or the related documents, subject to a five-day cure period; (c) an event of default or material breach by OME, us or any of our affiliates under any of the other loan documents shall have occurred and all grace periods, if any, applicable thereto shall have expired; (d) the Stock Purchase Agreement shall have been terminated; (e) specified dissolution, liquidation, insolvency, bankruptcy, reorganization, or similar cases or actions are commenced by or against OME or any of its subsidiaries, in specified circumstances unless dismissed or stayed within 60 days; (f) the entry of judgment or award against OME or any of its subsidiaries in excess or $100,000; and (g) a change in control (as defined in the Purchase Agreement) occurs.

In connection with the execution and delivery of the Purchase Agreement, we and Epsilon entered into a registration rights agreement pursuant to which we agreed to register new shares of our common stock with a formal registration statement with the Securities and Exchange Commission upon the conversion of the indebtedness.

Accounting considerations

We have accounted for this transaction as a financing transaction, wherein the net proceeds received were allocated to the financial instruments issued. Prior to making the accounting allocation, we evaluated for proper classification under ASC 480 *Distinguishing Liabilities from Equity* (“ASC 480”), ASC 815 *Derivatives and Hedging* (“ASC 815”) and ASC 320 *Property, Plant and Equipment* (“ASC 320”).

This debt agreement did not contain any embedded terms or features that have characteristics of derivatives. However, we were required to consider whether the hybrid contract embodied a beneficial conversion feature (“BCF”). The calculation of the effective conversion amount did result in a BCF because the effective conversion price was less than the Company’s stock price on the date of issuance, therefore a BCF of $96,000 was recorded. The BCF represents a debt discount which will be amortized over the life of the loan.

Loan modification (October 1, 2016)

On October 1, 2016 Odyssey Marine Enterprises, Ltd. (“OME”), entered into an Amended and Restated Note Purchase Agreement (the “Restated Note Purchase Agreement”) with Epsilon Acquisitions LLC (“Epsilon”). In connection with the existing $3.0 million loan agreement, Epsilon agreed to lend an additional $3.0 million of secured convertible promissory notes. The convertible promissory notes bear an interest rate of 10.0% per annum and are due and payable on March 18, 2017. The principal balance of this debt at June 30, 2017 is $3,000,000. Epsilon has the right to convert all amounts outstanding under the Restated Note into shares of our common stock upon 75 days’ notice to OME or upon a merger, consolidation, third party tender offer, or similar transaction relating to us at the applicable conversion price, which is (a) $5.00 per share with respect to the $3.0 million already advanced under the Restated Note and (b) with respect to additional advances under the Restated Note, the five-day volume-weighted average price of our common stock for the five trading day period ending on the trading day immediately prior to the date on which OME submits a borrowing notice for such advance. Notwithstanding anything herein to the contrary, we shall not issue any of our common stock upon conversion of any outstanding tranche (other than the first $3.0 million already advanced) under this Restated Note in excess of 1,388,769 shares of common stock. The additional tranches were issued as follows: (a) $1,000,000 (“Tranche 3”) was issued on October 16, 2016 with a conversion price of $3.52 per share; (b) $1,000,000 (“Tranche 4”) was issued on November 15, 2016 with a conversion price of $4.19 per share; and (c) $1,000,000 (“Tranche 5”) was issued on December 15, 2016 with a conversion price of $4.13 per share. During 2016, Epsilon assigned $2,000,000 of this debt to MINOSA under the same terms as the original debt.

As an inducement for the issuance of the additional $3.0 million of promissory notes, we also delivered to Epsilon a common stock purchase warrant (the “Warrant”) pursuant to which Epsilon has the right to purchase up to 120,000 shares of our common stock at an exercise price of $3.52 per share, which exercise price represents the five-day volume-weighted average price of our common stock for the five trading day period ending on the trading day immediately prior to the day on which the Warrant was issued. Epsilon may exercise the Warrant in whole or in part at any time during the period ending October 1, 2021. The Warrant includes a cashless exercise feature and provides that, if Epsilon is in default of its obligations to fund any advance pursuant to and in accordance with the Restated Note Purchase Agreement, then, thereafter, the maximum aggregate number of shares of common stock that may be purchased under the Warrant shall be the number determined by multiplying 120,000 by a fraction, (a) the numerator of which is the aggregate principal amount of advances that have been extended to the OME by Epsilon pursuant to the Restated Note Purchase Agreement on or after the date of the Warrant and prior to the date of such failure and (b) the denominator of which is $3.0 million.

Accounting considerations for additional tranches

We evaluated for proper classification under ASC 480 *Distinguishing Liabilities from Equity* (“ASC 480”), ASC 815 *Derivatives and Hedging* (“ASC 815”) and ASC 320 *Property, Plant and Equipment* (“ASC 320”). This debt agreement did not contain any embedded terms or features that have characteristics of derivatives. Additionally, the warrant agreement did not contain any terms or features that would preclude equity classification. We were required to consider whether the hybrid contract embodied a beneficial conversion feature (“BCF”). The allocations of the three additional tranches were as follows.

	Tranche 3	Tranche 4	Tranche 5
Promissory Note	$ 981,796	$ 939,935	$1,000,000
Beneficial Conversion Feature (“BCF”)*	18,204	60,065	—
Proceeds	$1,000,000	$1,000,000	$1,000,000

A beneficial conversion feature arises when the calculation of the effective conversion price is less than the Company’s stock price on the date of issuance. Tranche 5 did not result in a BCF because the effective conversion price was greater than the company’s stock price on the date of issuance.

The warrants fair values were calculated using Black-Scholes Merton (“BSM”). The aggregate fair value of the warrants totaled $303,712. Since the warrants were issued as an inducement to Epsilon to issue additional debt, we recorded an inducement expense of $303,712. For the three months ended June 30, 2017 and June 30, 2016, interest expense related to the discount in the amount of $0 and $23,472, respectively, was recorded. For the three months ended June 30, 2017 and June 30, 2016, accrued interest in the amount of $83,151 and $78,547, respectively, was recorded.

Term Extension (March 21, 2017)

On March 21, 2017 Odyssey Marine Enterprises, Ltd. ("OME"), entered into an Amended and Restated Note Purchase Agreement (the "Restated Note Agreement") with Epsilon Acquisitions LLC ("Epsilon"). In connection with the existing $6.0 million loan agreement, the adjusted principal balance is due and payable in full upon the earlier of (i) written demand by Epsilon or (ii) such time as Odyssey or the guarantor pays any other indebtedness for borrowed money prior to its stated maturity date. As such the Company amortized the notes up to their face value of $6,050,000. Subsequent to the conversion of the first tranche, the outstanding balance is $3,000,000 and classified as short-term.

Promissory Note

On April 15, 2016, Odyssey Marine Exploration, Inc. ("Odyssey") and its wholly owned subsidiaries Oceanica Marine Operations, S.R.L. ("OMO"), Odyssey Marine Services, Inc. ("OMS"), and Odyssey Marine Enterprises, Ltd. ("OME") executed a Loan and Security Agreement (the "Loan Agreement") with Monaco Financial LLC ("Monaco") pursuant to which Odyssey borrowed $1,825,000 from Monaco. The current balance is now $1,175,000. Monaco advanced the entire amount to us in March 2016 upon execution of a Letter of Intent. The indebtedness is evidenced by a Convertible Promissory Note (the "Note") that provides for interest at the rate of 10.0% per annum on the outstanding amount of principal, with the entire unpaid principal sum outstanding, together with any unpaid interest thereon, being due and payable on April 15, 2018. Odyssey has the right to prepay the indebtedness, in whole or in part, upon 30 days' notice to Monaco.

Pursuant to the Loan Agreement and as security for the indebtedness, Monaco was granted a security interest in (a) one-half of the indebtedness evidenced by the Amended and Restated Consolidated Note and Guaranty, dated September 25, 2015 (the "ExO Note"), in the original principal amount of $18.0 million, issued by Exploraciones Oceanicas S. de R.L. de C.V. to OMO, and all rights associated therewith (the "OMO Collateral"); and (b) all marine technology and assets in OMS's possession or control used for offshore exploration, including a deep-tow search systems, winches, multi-beam sonar, and other equipment. OME unconditionally and irrevocably guaranteed all obligations of Odyssey, OMO, and OMS to Monaco under the Loan Agreement.

As further consideration for the loan, Monaco was granted an option (the "Option") to purchase the OMO Collateral. The Option is exercisable at any time before the earlier of (a) the date that is 30 days after the loan is paid in full or (b) the maturity date of the ExO Note, for aggregate consideration of $9.3 million, $1.8 million of which would be paid at the closing of the exercise of the Option, with the balance paid in ten monthly installments of $750,000.

The Loan Agreement also contains customary representations and warranties of the parties, covenants, and events of default.

Of the combined total indebtedness of Monaco's Note 1 of $2.8 million (NOTE H) and this agreement, Note 2, (see NOTE H), Monaco can convert this combined debt into 3,174,603 shares of Oceanica at a fixed conversion price of $1.00 per share, or $3,174,603. Any remaining debt in excess of $3,174,603 is not convertible. The Note further provides that the maximum number of Oceanica cuotas that can be acquired by Monaco upon conversion is 3,174,603 cuotas. During the three-months ended, we sold a marine vessel to a related party of Monaco for $650,000. The consideration for this vessel was applied to our loan balance to Monaco in the amount of $650,000.

Promissory Note

On May 4, 2017, we entered into a Loan and Security Agreement ("Loan Agreement") with SMOM Limited ("SMOM"). Pursuant to the Loan Agreement, SMOM agreed to loan us up to $3.0 million in convertible promissory notes. As a commitment fee, we assigned the remaining 50% of our Neptune Minerals, LLC receivable to SMOM. This receivable had zero carrying value on our balance sheet (See NOTE C). All $3.0 million represented by this Loan Agreement has been funded. The indebtedness bears interest at a rate of 10% per annum and matures on the second anniversary of this Loan Agreement. The holder has the option to convert any unpaid principal and interest into up to 50% of the equity interest held by Odyssey in Aldama Mining Company, S.de R.L. de C.V. which is a wholly owned subsidiary of ours. The conversion value of $1.0 million equates to 10% of the equity interest in Aldama. If the holder elects to acquire the entire 50.0% of the equity interest, but the amount of debt and interest accumulated to be converted is insufficient to acquire the entire 50% equity interest, the Holder has to pay the deficiency in cash. As additional consideration for the loan, the holder has the right to purchase from Odyssey all or a portion of the equity collateral (up to the 50% of the equity interest of Aldama) for the option consideration ($1.0 million for each 10% of equity interests) during the period that is the later of (i) one year after the maturity date and (ii) one year after the loan is repaid in full, the expiration date. The lender may also choose to extend the expiration date annually by paying $500,000 for each year extended.

Accounting considerations

We have accounted for this transaction as a financing transaction, wherein the net proceeds received were allocated to the financial instruments issued. Prior to making the accounting allocation, we evaluated for proper classification under ASC 480 *Distinguishing Liabilities from Equity* ("ASC 480"), ASC 815 *Derivatives and Hedging* ("ASC 815") and ASC 320 *Property, Plant and Equipment* ("ASC 320").

This debt agreement did not contain any embedded terms or features that have characteristics of derivatives. However, we were required to consider whether the hybrid contract embodied a beneficial conversion feature ("BCF"). The calculation of the effective conversion amount did not result in a BCF because the effective conversion price was equal to the value of the Company's value on the date of issuance. Management is further reviewing the loan documents and will make a final evaluation of the applicable accounting related to this loan and security agreement and adjust as necessary.

Going Concern Consideration

We have experienced several years of net losses and may continue to do so. Our ability to generate net income or positive cash flows for the following twelve months is dependent upon our success in developing and monetizing our interests in mineral exploration entities, generating income from exploration charters, collecting on amounts owed to us, and completing the Minera del Norte S.A. de c.v. ("MINOSA") and Penelope Mining LLC ("Penelope") equity financing transaction approved by our stockholders on June 9, 2015. On March 24, 2017, we received NASDAQ communication notifying us our market capitalization was below the required minimum of $35.0 million for 30 consecutive days. The notice provided 180 days, or until September 20, 2017, to regain compliance. To regain compliance during this period, the market capitalization of our public common shares must be at least $35.0 million for ten consecutive business days. On August 3, 2017, we met this compliance requirement. Our 2017 business plan requires us to generate new cash inflows to effectively allow us to perform our planned projects. We plan to generate new cash inflows through the monetization of our receivables and equity stakes in seabed mineral companies, financings, syndications or other partnership opportunities. One or more of the planned opportunities for raising cash may not be realized to the extent needed which may require us to curtail our desired business plan until we generate additional cash. In May 2017, we entered into a loan agreement with SMOM for $3.0 million, of which all $3.0 million has been received, see NOTE H. On March 11, 2015, we entered into a Stock Purchase Agreement with MINOSA and Penelope, an affiliate of MINOSA, pursuant to which (a) MINOSA agreed to extend short-term, debt financing to Odyssey of up to $14.75 million, and (b) Penelope agreed to invest up to $101 million over three years in convertible preferred stock of Odyssey. The equity financing is subject to the satisfaction of certain conditions, including the approval of our stockholders which occurred on June 9, 2015, and MINOSA and Penelope are currently under no obligation to make the preferred share equity investments. (See Management's Discussion and Analysis of Financial Condition and Results of Operations—Financings.) See NOTE H for further detail on MINOSA related debt. Even though we executed the above noted financing arrangements, Penelope must purchase the shares for us to be able to complete the equity component of the transaction. The Penelope equity transaction is heavily dependent on the outcome of our subsidiary's application approval process for an environmental permit to commercially develop a mineralized phosphate deposit off the coast of Mexico. We pledged the majority of our remaining assets to MINOSA, and its affiliates, and to Monaco Financial LLC, leaving us with few opportunities to raise additional funds from our balance sheet. If cash inflow is not sufficient to meet our desired projected business plan requirements, we will be required to follow a contingency business plan which is based on curtailed expenses and fewer cash requirements. Our consolidated non-restricted cash balance at June 30, 2017 was $1.5 million which is insufficient to support operations for the following 12 months. We have a working capital deficit at June 30, 2017 of $26.8 million. Therefore, the factors noted above raise doubt about our ability to continue as a going concern. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should we be unable to continue as a going concern.

New Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board, or the FASB, issued Accounting Standards Update 2014-09, Revenue from Contracts with Customers, or ASU 2014-09, which establishes a comprehensive revenue recognition standard under GAAP for almost all industries. The new standard will apply for annual periods beginning after December 15, 2017, including interim periods therein. Early adoption is prohibited. Based on management's review of this new standard along with the substance of our transactions, management is of the position this standard will not have a material impact on our financial statements.

In February 2016, the FASB issued Accounting Standards Update 2016-02, Leases, which establishes a comprehensive lease standard under GAAP for virtually all industries. The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase of the leased asset by the lessee. This classification will determine whether the lease expense is recognized based on an effective interest method or on a straight line basis over the term of the lease. A lessee is also required to record a right of use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12

months or less will be accounted for similar to existing guidance for operating leases. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales type leases, direct financing leases and operating leases. The new standard will apply for annual periods beginning after December 15, 2018, including interim periods therein, and requires modified retrospective application. Early adoption is permitted. Based on management's current understanding of this new standard along with the underlying substance of our operations, management believes it will not have a material impact on our financial statements.

Other recent accounting pronouncements issued by the FASB, the AICPA and the SEC did not or are not believed by management to have a material effect, if any, on the Company's financial statements.

Off-Balance Sheet Arrangements

We do not engage in off-balance sheet financing arrangements. In particular, we do not have any interest in so-called limited purpose entities, which include special purpose entities (SPEs) and structured finance entities.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is the exposure to loss resulting from changes in interest rates, foreign currency exchange rates, commodity prices and equity prices. We currently do not have any debt obligations with variable interest rates.

ITEM 4. CONTROLS AND PROCEDURES

We maintain a set of disclosure controls and procedures designed to ensure that information required to be disclosed in reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms. As of the end of the period covered by this report, based on an evaluation carried out under the supervision and with the participation of our management, including the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), of the effectiveness of our disclosure controls and procedures, the CEO and CFO have concluded that our disclosure controls and procedures are effective. There have been no significant changes in our internal controls over financial reporting to date in 2017 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. Legal Proceedings

The Company is not currently a party to any litigation. From time to time in the ordinary course of business, we may be subject to or may assert a variety of claims or lawsuits.

ITEM 1A. Risk Factors

For information regarding risk factors, please refer to Item 1A in the Company's Annual Report on Form 10-K for the year ended December 31, 2016. Investors should consider such risk factors, as well as the risk factor set forth below, prior to making an investment decision with respect to the Company's securities.

The issuance of shares at conversion prices lower than the market price at the time of conversion and the sale of such shares could adversely affect the price of our common stock. We may enter into convertible debt deals whereas our shares may be acquired from time to time upon conversion of the outstanding debt. At times, conversion prices could be lower than market price of our common stock at the time of conversion.

Our common stock is listed on the NASDAQ Capital Market, which imposes, among other requirements, a minimum bid requirement and a minimum market capitalization requirement. If we are not compliant with these continued listing requirements, we could be de-listed from the NASDAQ Capital Market. On March 24, 2017 we were notified by NASDAQ Capital Market we were not compliant with their $35.0 million minimum market capitalization requirement. The rules provide for a compliance period of 180 days, until September 20, 20217, to regain compliance. To regain compliance, the market capitalization of our common shares must be at least $35.0 million for ten consecutive business days. On August 3, 2017 we regained compliance. There is no guarantee we can maintain compliance.

Our ability to continue as a going concern is largely dependent upon our ability to raise capital, including consummating the transactions contemplated by the Stock Purchase Agreement with Minera del Norte S.A. de c.v. ("MINOSA") and Penelope Mining LLC ("Penelope"), an affiliate of MINOSA. MINOSA's and Penelope's obligation to consummate the transactions is conditioned upon, among other things, their satisfaction with the viability, including our receipt of the necessary permits, of our project to develop a mineralized phosphate deposit in Mexico's exclusive economic zone in the Pacific Ocean. Our environmental permit application filed in June 2015 was denied on April 8, 2016, but we are still seeking approval of our application. We cannot assure our ability to continue as a going concern unless we are able to raise additional capital.

We depend on information technology networks and systems to process, transmit and store electronic information and to communicate among our locations around the world and among ourselves within our company. Additionally, one of our significant responsibilities is to maintain the security and privacy of our confidential and proprietary information and the personal data of our employees. Our information systems, and those of our service and support providers, are vulnerable to an increasing threat of continually evolving cybersecurity risks. Computer viruses, hackers and other external hazards, as well as improper or inadvertent staff behavior could expose confidential company and personal data systems and information to security breaches. Techniques used to obtain unauthorized access or cause system interruption change frequently and may not immediately produce signs of intrusion. As a result, we may be unable to anticipate these incidents or techniques, timely discover them, or implement adequate preventative measures. With respect to our commercial arrangements with service and support providers, we have processes designed to require third-party IT outsourcing, offsite storage and other vendors to agree to maintain certain standards with respect to the storage, protection and transfer of confidential, personal and proprietary information. However, we remain at risk of a data breach due to the intentional or unintentional non-compliance by a vendor's employee or agent, the breakdown of a vendor's data protection processes, or a cyber-attack on a vendor's information systems or our information systems.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

ITEM 4. Mine Safety Disclosures

Not applicable

ITEM 5. Other information

On August 4, 2017, the Company's board of directors (the "Board") adopted the Odyssey Marine Exploration, Inc. Key Employee Cuota Appreciation Rights (the "Key Employee Plan") and the Odyssey Marine Exploration, Inc. Nonemployee Director Cuota Appreciation Rights (the "Director Plan" and, together with the Key Employee Plan, the "Cuota Plans"). The Cuota Plans provide for the award of cuota appreciation rights ("CARs") to eligible participants. A "cuota" is a unit of equity interest under Panamanian law, and the value of the CARs will be determined based upon the appreciation, if any, in the value of the cuotas of Oceanica Resources, S. de R.L., a Panamanian sociedad de responsabilidad limitada ("Oceanica"), after the award of such CARs. The Company indirectly holds a majority stake in Oceanica.

The Board will select the Company's employees who will participate in the Key Employee Plan. Directors of the Company who are not employees of the Company or any of its subsidiaries are eligible to participate in the Director Plan. The purpose of the Cuota Plans is to provide deferred compensation to the participants.

The Board authorized the award of up to 750,000 CARs under the Key Employee Plan and the award of up to 600,000 CARs under the Director Plan. The terms of any CARs awarded under the Cuota Plans will be set forth in an award agreement between the Company and each participant, and the award agreement will set forth a vesting schedule for the CARs. In general, unvested CARs will be forfeited upon a participant's separation of service from the Company, and all vested and unvested CARs will be forfeited upon a participant's separation of service from the Company for "cause" (as defined in the Cuota Plans).

Each participant in the Cuota Plans will be entitled to be paid the value of such participant's CARs upon the occurrence of a "payment event." As used in the Cuota Plans, payment events consist of a change in control of the Company or the date specified in the applicable award agreement and, in the case of the Key Employee Plan, a separation of service without cause and the participant's continuous employment with the Company until the date specified in the applicable award agreement. The value of CARs will be based upon the difference between the fair value of the cuotas of Oceanica on the date of the award of the CARs and the fair value of the cuotas on the date of the payment event, in each case as determined by the Board in accordance with the provisions of the Cuota Plans.

The table below shows information regarding CARs granted on August 4, 2017, to the Company's directors and named executive officers:

Participant	Position	No. of CARs Awarded	Grant Date Fair Value
John C. Abbott	Director	80,000	$ 3.00
Mark B. Justh	Director	85,000	$ 3.00
James S. Pignatelli	Director	77,000	$ 3.00
Jon D. Sawyer	Director	80,000	$ 3.00
Mark D. Gordon	Chief Executive Officer	166,355	$ 3.00
John D. Longley	Chief Operating Officer	62,253	$ 3.00
Jay A. Nudi	Chief Financial Officer	54,809	$ 3.00

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ITEM 6. Exhibits

10.1*	Key Employee Cuota Appreciation Rights Plan (Filed herewith electronically)
10.2*	Nonemployee Director Cuota Appreciation Rights Plan (Filed herewith electronically)
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Filed herewith electronically)
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Filed herewith electronically)
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350 (Filed herewith electronically)
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350 (Filed herewith electronically)
101.1	Interactive Data File

* Management contract or compensatory plan.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ODYSSEY MARINE EXPLORATION, INC.

Date: August 9, 2017

By: /s/ Jay A. Nudi

Jay A. Nudi, as Chief Financial Officer, Chief Accounting Officer, and Authorized Officer (Principal Financial Officer)

Exhibit 10.1

ODYSSEY MARINE EXPLORATION, INC .
KEY EMPLOYEE CUOTA APPRECIATION RIGHTS PLAN

1. Purpose .

1.1 Purpose . The purpose of the Odyssey Marine Exploration, Inc. Key Employee Cuota Appreciation Rights Plan (the "Plan") is to provide deferred compensation to certain key employees of Odyssey Marine Exploration, Inc., a Nevada corporation (the "Corporation"). Such deferred compensation will be based upon the award of Cuota Appreciation Rights ("CARs"), the value of which shall be determined based on the appreciation in the economic value of the Cuotas after the date of the award of such Rights. "Cuota" is an equity share of Oceanica Resources, S.R.L. ("Oceanica").

2. Definitions . For purposes of the Plan, the following terms are defined below:

2.1 " Award Agreement " means a written agreement setting forth the award of CARs and the terms and conditions applicable thereto.

2.2 " Board " means the Board of Directors of the Corporation.

2.3 " CAR " has the meaning set forth in Section 1.1. The future value of a CAR shall be determined based upon the appreciation in the value of one Cuota from the Grant Date to the Payment Event. The value of each CAR shall equal the appreciation in value (if any) of one Cuota.

2.4 " Cause " means the following, regardless of when it is discovered by the Company:

(A) Participant's conviction, including the entry of a plea of guilty or no contest, of a felony, or any other criminal violation involving dishonesty, fraud, or breach of trust;

(B) Participant's willful engagement in any misconduct in the performance of his or her duty that materially injures the Corporation, or its affiliates;

(C) Participant's performance of any act which, if known to the customers, clients, employees, or stockholders of the Corporation, would materially and adversely impact the business of the Corporation, or its affiliates; or

(D) Participant's willful and substantial nonperformance of assigned duties; provided that such nonperformance continues more than ten (10) days after the Participant has been given written notice of such nonperformance and of its intention to terminate Participant's employment because of such nonperformance.

If there is an employment agreement in effect between the Participant and the Corporation that provides for termination for cause, then the definition of "cause" contained in that agreement, and not this definition, shall govern any CARs under this Plan.

2.5 " Change in Control " means either of the following events:

(A) During any twelve (12) month period, any person or group (as defined in Treas. Reg. §1.409A-3(i)(5)(v)(B)) that is not affiliated with the Corporation, acquires thirty percent (30%) or more of the total gross fair market value of the Corporation's assets; or

(B) Any person or group (as defined in Treas. Reg. §1.409A-3(i)(5)(v)(B)) that is not affiliated with the Corporation, acquires ownership of stock of the Corporation that, together with stock held by such person or group, constitutes more than fifty percent (50%) of the total voting power of the stock of the Corporation.

Notwithstanding the foregoing, the consummation of the transactions contemplated by the Stock Purchase Agreement dated as of March 11, 2015, by and among the Company, Penelope Mining LLC, and Minera del Norte S.A. de C.V., (as amended from time to time) (the "Purchase Agreement"), or the performance by the Company of its obligations under the Purchase Agreement, shall not constitute a Change in Control for purposes of this Plan or any individual Award Agreement evidencing an award pursuant to this Plan.

This definition of "Change in Control" shall be determined and administered in accordance with Code § 409A and regulations promulgated thereunder.

2.6 " Corporation " has the meaning set forth in Section 1.1.

2.7 " Cuota " has the meaning set forth in Section 1.1.

2.8 " Disability " means the inability of the Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months and is certified in writing to the Corporation by the disabled Participant's attending physician. This definition of "Disability" shall be determined and administered in accordance with Code § 409A and the corresponding regulations.

2.9 "Fair Value" means the value of a Cuota, as determined by the Board in accordance with this Section 2.9. The Board shall base its determination of such Fair Value based upon the then most recently performed third-party financial valuation of Oceanica ("Third-Party Valuation"), which shall be obtained by the Board. The Board shall obtain such Third-Party Valuation at least annually following the first date upon which any outstanding CARs under this Plan shall vest. Fair Value shall be determined without regard to any expense or liability associated with the outstanding CARs. In determining the value of a Cuota, Fair Value of Oceanica shall be divided by the total number of shares of Cuotas outstanding, without giving effect to the number of outstanding CARs. The Board's determination of Fair Value of Cuotas shall be binding on all parties, and no party shall have the right to appeal this determination.

2.10 " Grant Date " means the effective date of an award of CARs under this Plan, which shall be set forth in the Award Agreement.

2.11 " Grant Date Value " means the Fair Value of a Cuota on the Grant Date, as determined by the Board.

2.12 " Participant " means any employee of the Corporation, as designated by the Board, to participate in this Plan and who holds CARs that are outstanding under this Plan.

2.13 "Payment Event" means the first to occur of the following :

(A) Separation of Service without Cause;

(B) Change in Control; or

(C) Participant's continuous employment with the Corporation until a date specified in an applicable Award Agreement pursuant to this Plan.

2.14 " Separation of Service " means the Participant's termination of employment with the Corporation, whether on account of death, Disability or otherwise, whether voluntary or involuntary, for any reason or no reason. The Corporation will determine whether a Participant has incurred a Separation of Service based on the facts and circumstances and in accordance with Treas. Reg. §1.409A-1(h)(1)(ii).

3. Administration, Claim and Review Procedure . The Board of the Corporation will administer the Plan. In its sole discretion, the Board may delegate its duties and rights under the Plan to a committee or individual and, in such event, references to the Board herein will also be deemed to include such committee or individual.

3.1 Authority and Discretion of the Board . Subject to the provisions of the Plan, the Board will have exclusive power to select Participants to be granted CARs, to determine the number of CARs to be granted to each Participant, and to set all other terms and conditions of such rights consistent with the terms of this Plan. The Board will have authority to interpret the Plan, to adopt and revise rules and regulations relating to the Plan, to determine the conditions subject to which any grants of CARs may be made, and to make any other determinations that it believes necessary or advisable for the administration of the Plan. The Board shall, to the extent reasonably possible, administer and interpret the Plan to comply with the requirements of Internal Revenue Code of 1986 ("Code") § 409A and regulations promulgated thereunder. Determinations by the Board with respect to all matters relating to the Plan will be final and binding on all parties.

3.2 Reliance on Advice . The Board may employ attorneys, consultants, accountants, appraisers, brokers, or other persons. The Board, the Corporation, and the officers and managers of the Corporation shall be entitled to rely upon the advice, opinions, or valuations of any such person.

3.3 Indemnification . No member of the Board shall be personally liable for any action, determination, or interpretation made in good faith with respect to the Plan, the Award Agreements, or the CARs, and all members of the Board shall be fully protected and indemnified by the Corporation with respect to any such action, determination, or interpretation.

3.4 Claims . Any decision by the Corporation denying a claim by a Participant for benefits under this Plan shall be stated in writing and delivered or mailed to the Participant within sixty (60) days of receipt of such claim. Such decision shall set forth the specific reasons for the denial, the provisions of this Plan on which the denial is based, and shall inform the Participant of the right to appeal the denial, to review information and documents relevant to the claim and the denial, and to submit additional information and documents in connection with the claim.

3.5 Review . The Participant may request, in writing to the Board, a full and fair review of any decision denying such claim within sixty (60) days of receipt of a denial. The Board may hold a hearing on the denied claim. The Board shall make its decision promptly, which shall ordinarily be not later than sixty (60) days after receipt of the request for review. The decision on review shall be in writing and shall include specific reasons for the decision and specific references to the pertinent Plan provisions on which the decision is based. In the event the initial denial or the decision on review is not furnished to the Participant within the time required, the claim (or the denial upon review) shall be deemed denied.

4. Awards of CARs .

4.1 Award of CARs . The Board authorizes the issuance of a total of seven hundred fifty thousand (750,000) CARs under the Plan.

4.2 Awards . CARs may be granted to Participants as the Board may determine from time to time. Each CAR will be given a Grant Date Value, as determined by the Board. Each award of CARs under the Plan to a Participant, the number and Grant Date Value of such CARs, and any other terms and conditions of such CARs will be set forth in the Award Agreement, which shall be communicated to the Participant within thirty (30) days after the Grant Date.

4.3 Adjustments . The Board shall make or provide for such adjustments to CARs, Grant Date Value or other criteria as it deems appropriate in its sole discretion in the event of changes to the number of Cuotas, by a division or consolidation of such Cuotas, or by reason of a recapitalization, merger, purchase of assets (to the extent the purchase price is funded with additional capital), consolidation, exchange, reorganization, and the like. Notwithstanding anything in this Plan to the contrary, no CARs will be adjusted due to the issuance of additional CARs for substantial value to any person or entity.

5. Vesting of CARs; Forfeiture .

5.1 Vesting . The CARs awarded to a Participant will vest at such times or under such conditions and in such numbers as set forth in the Award Agreement.

5.2 Forfeiture of Unvested CARs . Except as otherwise provided in the Award Agreement, upon a Participant's Separation of Service, the Participant's rights to any unvested CARs will terminate and be cancelled without any payment therefor. Neither the Participant nor his or her heirs, personal representatives, successors, or assigns will have any future rights with respect to any such unvested CARs.

5.3 Forfeiture of All CARs for Cause . All unvested and vested CARs will terminate and be forfeited if the Participant incurs a Separation of Service for Cause.

5.4 Forfeiture and Clawback of CARs and Payments . If the Participant breaches any noncompetition, confidentiality, nonsolicitation, noninterference, or nondisclosure agreement, or other agreement that may apply to the Participant, then, unless the Award Agreement or such other agreement otherwise provides:

(A) All unvested and vested CARs will terminate and be forfeited; and

(B) The Participant will be required to immediately repay any CAR payments made to such Participant during the 12-month period preceding the date of a determination, by the Board, that such violation or breach occurred.

Such forfeiture and clawback shall be in addition to any other right the Corporation may have with respect to any such violation or breach. The Corporation may undertake any legal action to collect and recover the amount of any such required repayment.

6. Payment of Vested CARs upon a Payment Event .

6.1 Payment of Vested CARs upon a Payment Event . Upon the occurrence of a Payment Event, and subject to the limitations in Section 5.3 and 5.4, the Corporation shall pay, upon a determination by the Board to the Participant (or in the event of his or her death, to his or her designated beneficiary in accordance with Section 6.3) the value of the Participant's vested CARs, which payment shall be made as soon as practicable following the Payment Event, but in no event shall such payment be made later than the last date of the calendar year in which the Payment Event occurs, or, if later, the fifteenth day of the third month following the date of the Payment Event.

In the event that, at the time of the Payment Event, the value of the CARs as determined under Section 7 is not a positive number, then all such vested CARs held by the Participant shall be cancelled without any payment therefor, and thereafter, the Participant shall have no further rights in or to such CARs.

6.2 Withholding . The Corporation has the right to deduct from all amounts paid pursuant to the Plan any taxes required by law to be withheld and any other deductions applicable to such payment. Except for the amount so withheld, the Participant or beneficiary shall be liable for any and all other taxes due with respect to amounts paid pursuant to the Plan.

6.3 No Acceleration or Redeferral . No payment under this Plan or any payment in substitution for a payment under this Plan shall be accelerated or deferred, except as provided in this Plan, or as may be permitted in accordance with Code § 409A and final regulations promulgated thereunder.

7. Determination of Value of CARs .

7.1 Value of CARs . The total amount to be paid to the Participant for the vested CARs shall be equal to the number of vested CARs multiplied by the following amount:

(A) The Fair Value of a Cuota as of the date of a Payment Event, less

(B) The Grant Date Value of each Cuota subject to the vested CAR as set forth in the Award Agreement.

8. Amendment and Termination of the Plan .

8.1 Amendment . The Board may alter or amend the Plan from time to time without obtaining the approval of any Participant; provided, however, that except as provided in Section 4.3 and Section 9.9, no amendment to the Plan may alter, impair or reduce the number of CARs granted or the Grant Date Value of the Participant's CARs under the Plan prior to the effective date of such amendment without the written consent of the affected Participant.

8.2 Termination . The Board may at any time terminate the Plan, provided that:

(A) Such termination complies with the requirements of Code § 409A; and

(B) Such termination does not alter, impair, or reduce the number of CARs granted or the Grant Date Value of the Participant's CARs under the Plan prior to the effective date of such termination without the written consent of the affected Participant.

9. Miscellaneous .

9.1 Related Agreements . As a condition to the receipt of benefits hereunder, each Participant may be required to execute related agreements, which may include but are not limited to, a noncompetition, confidentiality, nonsolicitation, noninterference, or nondisclosure agreement with the Corporation. The specific provisions of such related agreements shall be determined by the Board. In the event of any breach of such agreement, the Participant shall be subject to the forfeiture provisions in accordance with Section 5.4.

9.2 Nontransferability . CARs granted under the Plan, and any rights and privileges pertaining thereto, may not be transferred, assigned, pledged, or hypothecated in any manner, by operation of law or otherwise, other than by will or by the laws of descent and distribution, and will not be subject to execution, attachment or similar process.

9.3 Voting and Dividend Rights . No Participant is entitled to any voting rights, to receive any distribution with respect to a Cuota that is subject to CARs or, except as provided in Section 4.3, to have the value of his or her CARs credited or increased as a result of any other distribution contribution with respect to a Cuota.

9.4 Changes in Corporation Capital and Structure . Nothing in this Plan or any Award Agreement shall limit or restrict the authority and power of the Board, the Corporation and its members to make changes to the number or kind of equity securities including by reason of a recapitalization, merger, exchange of shares, reorganization, and the like, or to consider or reject any proposal or transaction that might result in a Change in Control, or to take or refrain from any act or exercise of its or their respective rights under any applicable law.

9.5 No Employment Rights . No Participant has any claim or right to be granted CARs under the Plan. Neither the Plan nor any action taken hereunder may be construed as giving any Participant any right to be employed by the Corporation.

9.6 Effect of Plan on Other Compensation Programs . The establishment of this Plan shall not affect any other compensation or incentive plan or program in effect for the Corporation nor shall this Plan be construed to limit the right of the Corporation to establish any other forms of incentives or compensation for any employees of the Corporation.

9.7 Unfunded Status; Subordination . The Plan will at all times be entirely unfunded and no provision will at any time be made with respect to segregating assets of the Corporation for payment of any benefits hereunder. No Participant or other person will have any interest in any particular assets of the Corporation by reason of the right to CARs under the Plan and any such Participant or other person will have only the rights of a general unsecured creditor of the Corporation with respect to any rights under the Plan.

9.8 No Trust or Fiduciary Status . Nothing in this Plan shall establish any trust or similar arrangement with regard to the rights of the Participant, nor shall the Corporation or any officer, employee or service provider become a fiduciary with respect to this Plan for purposes of the Employee Retirement Income Security Act of 1974, if applicable, or any state trust laws.

9.9 Compliance with Code § 409A . The Plan is intended to satisfy the requirements of Code § 409A and final regulations promulgated thereunder in such manner as to avoid the imposition of the additional tax under Code § 409A. The Corporation will administer and interpret the Plan and CARs granted to the Participants in good faith and accordance with this intent. Notwithstanding Section 8.1, the Board reserves the right, without the consent of the Participant, to amend this Plan and/or CARs granted under this Plan at any time to comply with Code § 409A and regulations promulgated thereunder, preserving to the greatest extent possible, the economic benefits provided under this Plan.

9.10 Successors . This Plan shall be binding upon, and shall inure to the benefit of the Corporation and its successors and assigns, and upon any person acquiring, whether by merger, consolidation, purchase of assets or otherwise, all or substantially all of the Corporation's assets and business.

9.11 Arbitration of Claims . Except as otherwise provided in Section 3, any disputes arising under or relating to the Plan, Award Agreement, or CARs shall be determined by a single arbitrator selected by the Participant from a list of three (3) qualified American Arbitration Association (AAA) arbitrators with at least five (5) years' experience in employment law selected by the Corporation. Such arbitration shall be conducted in accordance with the Rules of Commercial Arbitration of the AAA in the city of the registered office of the Corporation.

9.12 Governing Law . To the extent not preempted by federal law, the Plan shall be construed in accordance with and governed by the laws of the state of Nevada.

Dated: August 4, 2017

ODYSSEY MARINE EXPLORATION, INC.

/s/ Jay Nudi

By: Jay Nudi
Its: CFO

Exhibit 10.2

ODYSSEY MARINE EXPLORATION, INC .
NONEMPLOYEE DIRECTOR CUOTA APPRECIATION RIGHTS PLAN

1. Purpose .

1.1 Purpose . The purpose of the Odyssey Marine Exploration, Inc. Nonemployee Director Cuota Appreciation Rights Plan (the "Plan") is to provide deferred compensation to nonemployee directors of Odyssey Marine Exploration, Inc., a Nevada corporation (the "Corporation"). Such deferred compensation will be based upon the award of Cuota Appreciation Rights ("CARs"), the value of which shall be determined based on the appreciation in the economic value of the Cuotas after the date of the award of such Rights. "Cuota" is an equity share of Oceanica Resources, S.R.L. ("Oceanica").

2. Definitions . For purposes of the Plan, the following terms are defined below:

2.1 " Award Agreement " means a written agreement setting forth the award of CARs and the terms and conditions applicable thereto.

2.2 " Board " means the Board of Directors of the Corporation.

2.3 " CAR " has the meaning set forth in Section 1.1. The future value of a CAR shall be determined based upon the appreciation in the value of one Cuota from the Grant Date to the Payment Event. The value of each CAR shall equal the appreciation in value (if any) of one Cuota.

2.4 " Cause " means the following, regardless of when it is discovered by the Company:

(A) Participant's conviction, including the entry of a plea of guilty or no contest, of a felony, or any other criminal violation involving dishonesty, fraud, or breach of trust;

(B) Participant's willful engagement in any misconduct in the performance of his or her duty that materially injures the Corporation, or its affiliates;

(C) Participant's performance of any act which, if known to the customers, clients, employees or stockholders of the Corporation, would materially and adversely impact the business of the Corporation, or its affiliates; or

(D) Participant's willful and substantial nonperformance of assigned duties; provided that such nonperformance continues more than ten (10) days after the Participant has been given written notice of such nonperformance and of its intention to terminate Participant's employment because of such nonperformance.

If there is an employment agreement in effect between the Participant and the Corporation that provides for termination for cause, then the definition of "cause" contained in that agreement, and not this definition, shall govern any CARs under this Plan.

2.5 " Change in Control " means either of the following events:

(A) During any twelve (12) month period, any person or group (as defined in Treas. Reg. §1.409A-3(i)(5)(v)(B)) that is not affiliated with the Corporation, acquires thirty percent (30%) or more of the total gross fair market value of the Corporation's assets; or

(B) Any person or group (as defined in Treas. Reg. §1.409A-3(i)(5)(v)(B)) that is not affiliated with the Corporation, acquires ownership of stock of the Corporation that, together with stock held by such person or group, constitutes more than fifty percent (50%) of the total voting power of the stock of the Corporation.

Notwithstanding the foregoing, the consummation of the transactions contemplated by the Stock Purchase Agreement dated as of March 11, 2015, by and among the Company, Penelope Mining LLC, and Minera del Norte S.A. de C.V., (as amended from time to time) (the "Purchase Agreement"), or the performance by the Company of its obligations under the Purchase Agreement, shall not constitute a Change in Control for purposes of this Plan or any individual Award Agreement evidencing an award pursuant to this Plan.

This definition of "Change in Control" shall be determined and administered in accordance with Code § 409A and regulations promulgated thereunder.

2.6 " Corporation " has the meaning set forth in Section 1.1.

2.7 " Cuota " has the meaning set forth in Section 1.1.

2.8 " Disability " means the inability of the Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months and is certified in writing to the Corporation by the disabled Participant's attending physician. This definition of "Disability" shall be determined and administered in accordance with Code § 409A and the corresponding regulations.

2.9 "Fair Value" means the value of a Cuota, as determined by the Board in accordance with this Section 2.9. The Board shall base its determination of such Fair Value based upon the then most recently performed third-party financial valuation of Oceanica ("Third-Party Valuation"), which shall be obtained by the Board. The Board shall obtain such Third-Party Valuation at least annually following the first date upon which any outstanding CARs under this Plan shall vest. Fair Value shall be determined without regard to any expense or liability associated with the outstanding CARs under this Plan. In determining the value of a Cuota, Fair Value of Oceanica shall be divided by the total number of shares of Cuotas outstanding, without giving effect to the number of outstanding CARs. The Board's determination of Fair Value of Cuotas shall be binding on all parties, and no party shall have the right to appeal this determination.

2.10 " Grant Date " means the effective date of an award of CARs under this Plan, which shall be set forth in the Award Agreement.

2.11 " Grant Date Value " means the Fair Value of a Cuota on the Grant Date, as determined by the Board.

2.12 " Participant " means a nonemployee director. A nonemployee director means a person who, at the time of an award to that person, is a director of the Corporation or any subsidiary of the Corporation, and is not an employee of the Corporation nor of any subsidiary of the Corporation.

2.13 "Payment Event " means the first to occur of the following:

(A) Change in Control; or

(B) A date specified in an applicable Award Agreement pursuant to this Plan.

2.14 " Separation of Service " means the Participant's termination of service to the Corporation, whether on account of death, Disability, or otherwise, whether voluntary or involuntary, for any reason or no reason. The Corporation will determine whether a separation of service has occurred based on the facts and circumstances.

3. Administration, Claim and Review Procedure . The Board of the Corporation will administer the Plan. In its sole discretion, the Board may delegate its duties and rights under the Plan to a committee or individual and, in such event, references to the Board herein will also be deemed to include such committee or individual.

3.1 Authority and Discretion of the Board . Subject to the provisions of the Plan, the Board will have exclusive power to select Participants to be granted CARs, to determine the number of CARs to be granted to each Participant, and to set all other terms and conditions of such rights consistent with the terms of this Plan. The Board will have authority to interpret the Plan, to adopt and revise rules and regulations relating to the Plan, to determine the conditions subject to which any grants of CARs may be made, and to make any other determinations that it believes necessary or advisable for the administration of the Plan. Determinations by the Board with respect to all matters relating to the Plan will be final and binding on all parties.

3.2 Reliance on Advice . The Board may employ attorneys, consultants, accountants, appraisers, brokers, or other persons. The Board, the Corporation, and the officers and managers of the Corporation shall be entitled to rely upon the advice, opinions, or valuations of any such person.

3.3 Indemnification . No member of the Board shall be personally liable for any action, determination, or interpretation made in good faith with respect to the Plan, the Award Agreements, or the CARs, and all members of the Board shall be fully protected and indemnified by the Corporation with respect to any such action, determination, or interpretation.

3.4 Claims . Any decision by the Corporation denying a claim by a Participant for benefits under this Plan shall be stated in writing and delivered or mailed to the Participant within sixty (60) days of receipt of such claim. Such decision shall set forth the specific reasons for the denial, the provisions of this Plan on which the denial is based, and shall inform the Participant of the right to appeal the denial, to review information and documents relevant to the claim and the denial, and to submit additional information and documents in connection with the claim.

3.5 Review . The Participant may request, in writing to the Board, a full and fair review of any decision denying such claim within sixty (60) days of receipt of a denial. The Board may hold a hearing on the denied claim. The Board shall make its decision promptly, which shall ordinarily be not later than sixty (60) days after receipt of the request for review. The decision on review shall be in writing and shall include specific reasons for the decision and specific references to the pertinent Plan provisions on which the decision is based. In the event the initial denial or the decision on review is not furnished to the Participant within the time required, the claim (or the denial upon review) shall be deemed denied.

4. Awards of CARs .

4.1 Award of CARs . The Board authorizes the issuance of a total of six hundred thousand (600,000) CARs under the Plan.

4.2 Awards . CARs may be granted to Participants as the Board may determine from time to time. Each CAR will be given a Grant Date Value, as determined by the Board. Each award of CARs under the Plan to a Participant, the number and Grant Date Value of such CARs, and any other terms and conditions of such CARs will be set forth in the Award Agreement, which shall be communicated to the Participant within thirty (30) days after the Grant Date.

4.3 Adjustments . The Board shall make or provide for such adjustments to CARs, Grant Date Value, or other criteria as it deems appropriate in its sole discretion in the event of changes to the number of Cuotas, by a division or consolidation of such Cuotas, or by reason of a recapitalization, merger, purchase of assets (to the extent the purchase price is funded with additional capital), consolidation, exchange, reorganization, and the like. Notwithstanding anything in this Plan to the contrary, no CARs will be adjusted due to the issuance of additional CARs for substantial value to any person or entity.

5. Vesting of CARs; Forfeiture .

5.1 Vesting . The CARs awarded to a Participant will vest at such times or under such conditions and in such numbers as set forth in the Award Agreement.

5.2 Forfeiture of Unvested CARs . Except as otherwise provided in the Award Agreement, upon a Participant's Separation of Service to the Corporation, the Participant's rights to any unvested CARs will terminate and be cancelled without any payment therefor. Neither the Participant nor his or her heirs, personal representatives, successors, or assigns will have any future rights with respect to any such unvested CARs.

5.3 Forfeiture of All CARs for Cause . All unvested and vested CARs will terminate and be forfeited if the Participant incurs a Separation of Service for Cause.

5.4 Forfeiture and Clawback of CARs and Payments . If the Participant breaches any noncompetition, confidentiality, nonsolicitation, noninterference, or nondisclosure agreement, or other agreement that may apply to the Participant, then, unless the Award Agreement or such other agreement otherwise provides:

(A) All unvested and vested CARs will terminate and be forfeited; and

(B) The Participant will be required to immediately repay any CAR payments made to such Participant during the 12-month period preceding the date of a determination, by the Board, that such violation or breach occurred.

Such forfeiture and clawback shall be in addition to any other right the Corporation may have with respect to any such violation or breach. The Corporation may undertake any legal action to collect and recover the amount of any such required repayment.

6. Payment of Vested CARs Upon a Payment Event .

6.1 Payment of Vested CARs Upon a Payment Event . Upon the occurrence of a Payment Event, and subject to the limitations in Section 5.3 and 5.4, the Corporation shall pay, upon a determination by the Board to the Participant (or in the event of his or her death, to his or her designated beneficiary in accordance with Section 6.3) the value of the Participant's vested CARs, which payment shall be made as soon as practicable following the Payment Event.

In the event that, at the time of the Payment Event, the value of the CARs as determined under Section 7 is not a positive number, then all such vested CARs held by the Participant shall be cancelled without any payment therefor, and thereafter, the Participant shall have no further rights in or to such CARs.

6.2 Withholding . The Corporation has the right to deduct from all amounts paid pursuant to the Plan any taxes required by law to be withheld and any other deductions applicable to such payment. Except for the amount so withheld, the Participant or beneficiary shall be liable for any and all other taxes due with respect to amounts paid pursuant to the Plan.

6.3 No Acceleration or Redeferral . No payment under this Plan or any payment in substitution for a payment under this Plan shall be accelerated or deferred, except as provided in this Plan.

7. Determination of Value of CARs .

7.1 Value of CARs . The total amount to be paid to the Participant for the vested CARs shall be equal to the number of vested CARs multiplied by the following amount:

(A) The Fair Value of a Cuota as of the date of a Payment Event, less

(B) The Grant Date Value of each Cuota subject to the vested CAR as set forth in the Award Agreement.

8. Amendment and Termination of the Plan .

8.1 Amendment . The Board may alter or amend the Plan from time to time without obtaining the approval of any Participant; provided, however, that except as provided in Section 4.3, no amendment to the Plan may alter, impair, or reduce the number of CARs granted or the Grant Date Value of the Participant's CARs under the Plan prior to the effective date of such amendment without the written consent of the affected Participant.

8.2 Termination . The Board may at any time terminate the Plan, provided that such termination does not alter, impair, or reduce the number of CARs granted or the Grant Date Value of the Participant's CARs under the Plan prior to the effective date of such termination without the written consent of the affected Participant.

9. Miscellaneous .

9.1 Related Agreements . As a condition to the receipt of benefits hereunder, each Participant may be required to execute related agreements, which may include but are not limited to, a noncompetition, confidentiality, nonsolicitation, noninterference, or nondisclosure agreement with the Corporation. The specific provisions of such related agreements shall be determined by the Board. In the event of any breach of such agreement, the Participant shall be subject to the forfeiture provisions in accordance with Section 5.4.

9.2 Nontransferability . CARs granted under the Plan, and any rights and privileges pertaining thereto, may not be transferred, assigned, pledged, or hypothecated in any manner, by operation of law or otherwise, other than by will or by the laws of descent and distribution, and will not be subject to execution, attachment or similar process.

9.3 Voting and Dividend Rights . No Participant is entitled to any voting rights, to receive any distribution with respect to a Cuota that is subject to CARs or, except as provided in Section 4.3, to have the value of his or her CARs credited or increased as a result of any other distribution contribution with respect to a Cuota.

9.4 Changes in Corporation Capital and Structure . Nothing in this Plan or any Award Agreement shall limit or restrict the authority and power of the Board, the Corporation and its members to make changes to the number or kind of equity securities including by reason of a recapitalization, merger, exchange of shares, reorganization, and the like, or to consider or reject any proposal or transaction that might result in a Change in Control, or to take or refrain from any act or exercise of its or their respective rights under any applicable law.

9.5 No Employment Rights . No Participant has any claim or right to be granted CARs under the Plan. Neither the Plan nor any action taken hereunder may be construed as giving any Participant any right to be retained as the employee or director of the Corporation.

9.6 Effect of Plan on Other Compensation Programs . The establishment of this Plan shall not affect any other compensation or incentive plan or program in effect for the Corporation nor shall this Plan be construed to limit the right of the Corporation to establish any other forms of incentives or compensation for any employees or service providers of the Corporation.

9.7 Unfunded Status; Subordination . The Plan will at all times be entirely unfunded and no provision will at any time be made with respect to segregating assets of the Corporation for payment of any benefits hereunder. No Participant or other person will have any interest in any particular assets of the Corporation by reason of the right to CARs under the Plan and any such Participant or other person will have only the rights of a general unsecured creditor of the Corporation with respect to any rights under the Plan.

9.8 No Trust or Fiduciary Status . Nothing in this Plan shall establish any trust or similar arrangement with regard to the rights of the Participant, nor shall the Corporation or any officer, employee, or service provider become a fiduciary with respect to this Plan for purposes of the Employee Retirement Income Security Act of 1974, if applicable, or any state trust laws.

9.9 Successors . This Plan shall be binding upon, and shall inure to the benefit of the Corporation and its successors and assigns, and upon any person acquiring, whether by merger, consolidation, purchase of assets or otherwise, all or substantially all of the Corporation's assets and business.

9.10 Arbitration of Claims . Except as otherwise provided in Section 3, any disputes arising under or relating to the Plan, Award Agreement, or CARs shall be determined by a single arbitrator selected by the Participant from a list of three (3) qualified American Arbitration Association (AAA) arbitrators with at least five (5) years' experience in employment law selected by the Corporation. Such arbitration shall be conducted in accordance with the Rules of Commercial Arbitration of the AAA in the city of the registered office of the Corporation.

9.11 Governing Law . To the extent not preempted by federal law, the Plan shall be construed in accordance with and governed by the laws of the state of Nevada.

Dated: August 4, 2017

ODYSSEY MARINE EXPLORATION, INC.

/s/ Jay Nudi

By: Jay Nudi

Its: CFO

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Mark D. Gordon, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Odyssey Marine Exploration, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2017

/s/ Mark D. Gordon
Mark D. Gordon
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jay A. Nudi, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Odyssey Marine Exploration, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2017

/s/ Jay A. Nudi
Jay A. Nudi
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
ODYSSEY MARINE EXPLORATION, INC.
PURSUANT TO 18 U.S.C. SECTION 1350

I hereby certify that, to the best of my knowledge, the quarterly report on Form 10-Q of Odyssey Marine Exploration, Inc. for the period ending June 30, 2017:

(1) complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material aspects, the financial condition and results of operations of Odyssey Marine Exploration, Inc.

/s/ Mark D. Gordon

Mark D. Gordon
Chief Executive Officer
August 9, 2017

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to Odyssey Marine Exploration, Inc. and will be retained by Odyssey Marine Exploration, Inc. and furnished to the Securities and Exchange Commission upon request.

EXHIBIT 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
ODYSSEY MARINE EXPLORATION, INC.
PURSUANT TO 18 U.S.C. SECTION 1350

I hereby certify that, to the best of my knowledge, the quarterly report on Form 10-Q of Odyssey Marine Exploration, Inc. for the period ending June 30, 2017:

(1) complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material aspects, the financial condition and results of operations of Odyssey Marine Exploration, Inc.

/s/ Jay A. Nudi

Jay A. Nudi
Chief Financial Officer
August 9, 2017

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to Odyssey Marine Exploration, Inc. and will be retained by Odyssey Marine Exploration, Inc. and furnished to the Securities and Exchange Commission upon request.